

The Green Climate Fund: history, status and legitimacy

Enhanced Direct Access: the first decade

Basak, R.; Karlsson-Vinkhuyzen, S.I.S.E.

<https://doi.org/10.4337/9781784715656.00013>

This publication is made publicly available in the institutional repository of Wageningen University and Research, under the terms of article 25fa of the Dutch Copyright Act, also known as the Amendment Taverne.

Article 25fa states that the author of a short scientific work funded either wholly or partially by Dutch public funds is entitled to make that work publicly available for no consideration following a reasonable period of time after the work was first published, provided that clear reference is made to the source of the first publication of the work.

This publication is distributed using the principles as determined in the Association of Universities in the Netherlands (VSNU) 'Article 25fa implementation' project. According to these principles research outputs of researchers employed by Dutch Universities that comply with the legal requirements of Article 25fa of the Dutch Copyright Act are distributed online and free of cost or other barriers in institutional repositories. Research outputs are distributed six months after their first online publication in the original published version and with proper attribution to the source of the original publication.

You are permitted to download and use the publication for personal purposes. All rights remain with the author(s) and / or copyright owner(s) of this work. Any use of the publication or parts of it other than authorised under article 25fa of the Dutch Copyright act is prohibited. Wageningen University & Research and the author(s) of this publication shall not be held responsible or liable for any damages resulting from your (re)use of this publication.

For questions regarding the public availability of this publication please contact openaccess.library@wur.nl

6. The Green Climate Fund: history, status and legitimacy

Rishi Basak and Sylvia Karlsson-Vinkhuyzen

1. INTRODUCTION

The Green Climate Fund (GCF) is a relatively young multilateral funding institution. The GCF was formally conceptualised as the main funding institution for the United Nations Framework Convention on Climate Change (UNFCCC) in 2009, when Parties collectively promised to mobilise climate finance of USD 100 billion a year for 2020 onwards. Parties further agreed at COP 16 in Cancún (2010) that ‘a significant share of new multilateral funding for adaptation should flow through the Green Climate Fund’ (UNFCCC 2011a). The GCF’s birth process, however, was a long one. International negotiations on climate financing have been fraught with diverging views on equity, accountability and legitimacy (Lange et al. 2007; Abbott and Gartner 2011; Bird et al. 2011; Schalatek 2012). On the one hand, developing countries and civil society organisations (CSOs) have been advocating a greater role in decision-making, as well as pushing for increased focus on achieving on-the-ground results that benefit the most vulnerable (Ballesteros et al. 2010; Abbott and Gartner 2011; Schalatek 2012). On the other hand, developed countries have focused on ensuring value for money for their financing (Abbott and Gartner 2011; Basak and van der Werf 2019). All these actors, however, share high expectations for the new fund’s accountability (Abbott and Gartner 2011; Bird et al. 2011; Schalatek 2012; Omukuti et al. 2021).

This chapter situates the GCF within the broader political context of international climate finance and provides a brief history of the organisation, including how it relates to key global fund predecessors. Building on the academic literature on the GCF, which mostly pre-dates its birth (see, for instance, Bird et al. 2011), this chapter describes the history of the GCF, its status and its legitimacy. Using document analysis and key informant interviews, we determine the main elements of the many accountability regimes of the GCF and how these impact the legitimacy of the Fund. Accountability is considered in many frameworks to be an important source of legitimacy in governance (Buchanan and Keohane 2006; Bernstein 2011; Biermann and Gupta 2011), making it an important dimension to analyse in the formative years of such an important institution. With the GCF being at its early stages of development, it has to earn legitimacy to gain stakeholder confidence (Bracking 2015; Lebel et al. 2017; Bertilsson and Thörn 2021).

The chapter is organised as follows: the next two sections outline how accountability and legitimacy of climate funds can be analysed, as well as the methods used to that effect. This is followed by a description of the political context of global climate finance and a historical overview of the GCF and its predecessors. This includes a description of the organisation’s progress with respect to resource mobilisation, funding allocation and disbursement rate, as

well as its investments in capacity-building. In section 3, an overview of the GCF's core actors and responsibilities is provided, followed by an analysis of the accountability and legitimacy of the organisation. The conclusions and outlook section provides recommendations for improvement to further legitimise the GCF in the eyes of its many stakeholders.

2. ANALYSING THE ACCOUNTABILITY AND LEGITIMACY OF CLIMATE FUNDS

The weak accountability of diverse actors in global governance has been analysed and criticised from various scholarly perspectives (Keohane and Grant 2005; Steffek 2010; Goodhart 2011; Klabbers 2013; Wolfe 2015). In parallel, this weakness has led to a variety of responses from civil society, from demonstrations and lobbying to engagement in reform initiatives (Benner et al. 2004; Blagescu et al. 2005; Bäckstrand et al. 2010). A few studies have more closely scrutinised accountability issues pertaining to climate finance. For example, Zadek (2011) looked at climate finance through the lens of accountability and productivity, and outlined a series of challenges and organisational flaws (i.e., political leakage, gaming, rent-seeking, bureaucratisation and corruption); and Stadelmann et al. (2013) and Ciplet et al. (2013) focused on transparency with regard to financial flows. This chapter contributes to the as yet limited scholarly analysis of accountability in intergovernmental climate finance organisations. Earlier studies include Ballesteros et al. (2010), who discussed accountability issues pertaining to climate finance organisations pre-dating the GCF; and Müller (2011), who discussed the GCF's origin and accountability vis-à-vis the COP. Bird et al. (2011), on the other hand, discussed the accountability of the GCF in the context of its design, prior to the Fund having been setup. This chapter builds on their efforts and undertakes a first analysis of accountability in the early operating phase of the GCF, where rules and practices were in their initial adoption and implementation phase.

For the purposes of the analysis in this chapter we use a widely used definition in the public administration literature where accountability is understood as being '[A] relationship between an actor and a forum, in which the actor has an obligation to explain and to justify his or her conduct; the forum can pose questions and pass judgement, and the actor may face consequences' (Bovens 2007, p. 450). To analyse accountability in the GCF in a comprehensive way, including the diversity of actors involved at both global and national levels, we use Wolfe's concept of accountability regimes (Wolfe 2015). An individual accountability regime is composed of the actors involved and their specific account giver and account holder relationships, and the elements (formal and informal) that are in place to ensure accountability. The term 'account giver' is used to refer to the actor who is required to provide an account to a given forum, and the term 'account holder' is used for the actor that holds others to account.¹ Mashaw (2006) identifies six questions that enable outlining the contour of an accountability regime across diverse governance contexts: Who is accountable? To whom? For what? What is the process whereby account can be given? Against what standards is the account giver to be judged? What are the effects of poor (or strong) performance? Using Mashaw's questions, we follow Wolfe (2015), who has used these questions to describe the accountability regimes of the WTO, and Kramarz and Park (2016), who used them in their analysis of accountability in global environmental governance.

Accountability has a particular instrumental value for international organisations, as it contributes to the legitimacy and thereby effectiveness of such organisations (Bäckstrand 2008; Karlsson-Vinkhuyzen and Vihma 2009; Biermann and Gupta 2011). International organisations operate ‘above’ the level of the sovereign nation states and therefore need particularly good justification for their authority (Keohane and Grant 2005). Legitimacy, defined as justified authority (Bodansky 1999), ‘prevails when authority has the consent of those who are subject to it’ (Scholte 2011, p. 111). Accountability provides organisational authority and thus the ability to achieve organisational goals and objectives (Koppell 2010). Scharpf (1997) observed that accountability can contribute to input (relating to the governance process) and output (relating to the performance of the organisation) legitimacy. Drawing on Scharpf, Karlsson-Vinkhuyzen and Vihma’s (2009) review of sources for the legitimacy of international norms, as well as additional literature on organisational accountability and legitimacy (Koenig-Archibugi 2011; Leung et al. 2011; Lebel et al. 2017), the sub-components of legitimacy that are related to accountability regimes are described in Table 6.1 below.

Some of these sub-components are similar to the criteria developed by Bhandary et al. (2021) and used to evaluate climate finance policy, although the scope of our sub-components is broader, and we use them to identify explicit links between accountability and legitimacy within a given organisation.

The framework in Table 6.1 allows the unpacking of which specific elements of accountability regimes may contribute to providing legitimacy to the GCF. Openness and transparency practices can enable stakeholders to monitor and scrutinise organisations and reflect an organisation’s willingness to be subjected to such scrutiny, thus enhancing the potential for accountability and thereby legitimacy (Karlsson-Vinkhuyzen and Vihma 2009; Bunea 2018). Encouraging participation and more inclusive decision-making also contributes to increased accountability and legitimacy (King Simrell et al. 1998; Mascarenhas and Scarce 2004; Panel on Public Participation in Environmental Assessment and Decision Making 2008). Combined with increased openness and transparency, participation offers the possibility to hold decision-makers to account for the content of policies by those who may rightfully expect to be able to play that role (Groff and Karlsson-Vinkhuyzen 2018). Robust management processes and practices are a key ingredient for building the legitimacy of an organisation and are integral to the functioning of accountability regimes, including putting in place strong oversight roles,

Table 6.1 Components and sub-components of legitimacy linked to accountability

Components of legitimacy	Sub-components of legitimacy related to accountability regimes
Input legitimacy	Openness and transparency Inclusive decision-making Management processes and practices
Output legitimacy	Problem-solving effectiveness Fairness and equity

Source: Adapted from Karlsson-Vinkhuyzen and Vihma (2009)

establishing monitoring and evaluation functions and exercising due diligence (Wilmshurst and Frost 2000; Blagescu et al. 2005; Bemelmans-Videc et al. 2007).

Effective problem-solving improves legitimacy, as it provides substantive positive impact by contributing to addressing specific challenges and achieving concrete results (Scharpf 1998; Karlsson-Vinkhuyzen and Vihma 2009). Accountability measures linked to effectiveness and the achievement of results (Dubnick 2005) can therefore increase legitimacy but can still be perceived as illegitimate and unfair if these maintain or reinforce inequity (Karlsson-Vinkhuyzen and Vihma 2009). Therefore, accountability measures that may disadvantage some or that are not applied equitably could reduce output legitimacy.

3. METHODS

For the history and political context of global climate finance, UNFCCC and GCF documents were reviewed, as well as literature focusing on the GCF's inception and challenges. For the assessment of accountability and legitimacy of the GCF, Mashaw's (2006) questions were used to guide the content analysis of documents and key informant interviews. The document content analysis, supported by qualitative analysis software, enabled identification of formal accountability elements, whereas interviews provided a picture of how those formal elements were enacted (Best 2012) and also identified elements of an informal nature. The two main document types reviewed were UNFCCC and GCF organisational documents and project proposals submitted to the GCF. All documents were collected between March 2016 and May 2021, with a total of 41 documents subjected to content analysis. Coding and quantification of relevant descriptive text and statements related to accountability was undertaken using a directed approach (Hsieh and Shannon 2005) by applying the analytical framework to identify key concepts as initial coding categories. The document analysis also enabled the identification of key informants for the subsequent interviews.

Seventeen key informant interviews were conducted, a relatively large sample considering the limited pool of potential interviewees in this new field. The key informants were selected based on the relevance of their current or past role vis-à-vis the GCF and included GCF Board members, UNFCCC and GCF Secretariat officials, National Designated Authorities (NDAs) from developing countries, officials from GCF Accredited Entities (AEs) and CSOs. The interviews were conducted between March 2016 and January 2021. The respondents all play, or have played, important roles in the GCF accountability regimes as account holders or account givers. The interviews were semi-structured and mostly used 'mini tour' questions; that is, questions requiring respondents to provide details on particular or more specific issues or experiences (Spradley, 1979). Closed questions were also used to probe and obtain additional details from respondents, as suggested by Holstein and Gubrium (1995). The semi-structured interviews with very knowledgeable respondents made it possible to obtain the in-depth information required for this within-case analysis (George and Bennett 2004; Paterson 2010). Then, we systematically assessed the impacts of the elements of the accountability regimes on the legitimacy of the GCF, via the sub-components of sources for legitimacy listed in Table 6.1.

4. THE HISTORY AND POLITICAL CONTEXT OF GLOBAL CLIMATE FINANCE

The central intergovernmental arena for cooperation on climate change is the UNFCCC, as adopted in 1992, and its related agreements, the Kyoto Protocol (1997) and the Paris Agreement (PA) (2015). In each of these agreements there are provisions that commit countries with more financial resources (developed countries) to supporting those countries with fewer resources (developing countries) for implementing the agreements. This includes support in the field of mitigation and adaptation actions, as well as various procedural obligations, such as transparency requirements under Article 13, paragraph 4 of the PA (UNFCCC, 2015a). This commitment to providing financial resources reflects one of the underlying principles of the UNFCCC at its adoption; namely, the principle of common but differentiated responsibilities and respective capabilities (CBDR-RC), as described in Article 3, paragraph 1 of the Convention text (UNFCCC 1994) (see also Ratajczak-Juszkó and Nyka 2022). This principle was the condition for developing countries to join the UNFCCC in the first place, as they saw developed countries as having both a greater historical responsibility for contributing to climate change and as having built up more financial and technical capacity, partially as a result of their access to cheap fossil fuels. For the UNFCCC and the Kyoto Protocol, the division of countries with obligations to provide resources, as well as those entitled to receive said resources, were specified in an annex. Over time this strict division evoked criticism from developed countries, as the economies of many developing countries have grown considerably since the 1990s. The PA no longer provides a definition of the two categories through a list and also explicitly invites developing countries who have the capacity to do so to also contribute to international climate finance, as stated under Article 9, paragraph 2.

International negotiations on climate financing have centred around not only the CBDR-RC principle but also equity, accountability and legitimacy (Lange et al. 2007; Abbott and Gartner 2011; Bird et al. 2011; Schalatek 2012). Developing countries and CSOs have been jostling for more decision-making power, as well as advocating strong action to help the world's most vulnerable, whereas developed countries have been concerned with value for money and financial due diligence (Ballesteros et al. 2010; Abbott and Gartner 2011; Schalatek 2012; Basak and van der Werf 2019).

The GCF has taken centre stage in the goal of mobilising climate finance since its formation, with the organisation's funding replenishment being endorsed at COP 24 in Katowice in 2018 (Cui and Huang 2018; UNFCCC 2018a). The resources mobilised for climate finance have come from both the public and private sectors, with the majority of private sector funds going towards mitigation as opposed to adaptation (Bracking 2015; Climate Policy Initiative 2019). For countries in the Global South seeking support for their adaptation efforts, the GCF is seen as an attractive source of funds. The next section provides a brief history of the GCF and its relationship to international climate fund predecessors.

4.1 GCF Predecessors

The first dedicated international climate financing institution came into being when the Global Environmental Facility (GEF) was established as a standalone entity at the 1992 United Nations Conference on Environment and Development, where the UNFCCC and Convention on

Biological Diversity were also adopted. Two years later, the GEF became an operating entity of the financial mechanism for the UNFCCC (UNFCCC 2019a; GEF 2020a). Since its inception, the GEF has mobilised USD 24.75 billion in financial contributions from 40 donor countries through seven replenishment cycles (GEF 2020b). However, developing country Parties have expressed their frustration with the difficulty accessing funding from the GEF due to the onerous requirements and administrative burden (UNFCCC 1996). Nevertheless, in 2001 the GEF was entrusted by the COP with managing three additional funds: the Special Climate Change Fund (SCCF), the Least Developed Countries Fund (LDCF) and the Adaptation Fund (AF) (UNFCCC 2001; UNFCCC 2019a). The AF was created to finance concrete adaptation action in vulnerable developing countries that were parties to the Kyoto Protocol, with part of its budget being financed via a 2% share of proceeds from sales of Clean Development Mechanism project-certified emission reductions (Adaptation Fund 2019). The LDCF focused on supporting Least Developed Country Parties with their national adaptation programmes of action, whereas the SCCF was created to complement other funding mechanisms (UNFCCC 2019a).

Developing countries and CSOs have historically been frustrated with the complex designs of these funds, poor implementation of guidance received from the COP, and the control that donors exercise on decision-making and funding allocation (Möhner and Klein 2007; Halle et al. 2012; Wolfe 2015). These frustrations were the impetus for the creation of the GCF.

4.2 GCF Inception

The GCF was conceptualised as part of the Copenhagen Accord of December 2009 (UNFCCC 2009) and formally established in 2010 by COP 16 (UNFCCC 2011a). This created the GCF as a new operating entity of the UNFCCC Financial Mechanism. A 40-member Transitional Committee was put in place to develop and recommend operational documents to the COP describing the finer elements of the design of the GCF (UNFCCC 2011a, 2011b). This culminated in the Governing Instrument of the GCF, which was approved in 2011. The governing instrument established the GCF Board as accountable to and functioning under the guidance of the COP (UNFCCC 2012). Parties to the UNFCCC were also invited to nominate members of the Board and submit expressions of interest to host the organisation's offices (UNFCCC 2012). Board nominees were welcomed by COP 18 in 2012, where the selection of Songdo in the Republic of Korea as the host city for the GCF was made (UNFCCC 2013). In 2013, the formal operating arrangements were agreed upon between the GCF Board and the COP and the GCF offices officially opened in Songdo (UNFCCC 2014).

4.3 Resource Mobilisation

The GCF's initial resource mobilisation efforts began in 2014 and continued until 2018 (GCF 2020a). Only in 2015 did the GCF manage to meet the threshold of USD 5.5 billion in pledges, which was required for the Fund to begin allocating funding towards projects and programmes in developing countries (Antimiani et al. 2017). In total, the initial round of resource mobilisation led to pledges from 45 countries, with USD 8.3 billion mobilised (GCF 2020b). In October 2018, the GCF's first replenishment was launched (referred to as 'GCF-1'). This led to 30 countries pledging to make financial contributions, with USD 9.5 billion in confirmed pledges



Source: Authors based on GCF (2020a) and GCF (2020b)

Figure 6.1 Resources mobilised from inception to 2021

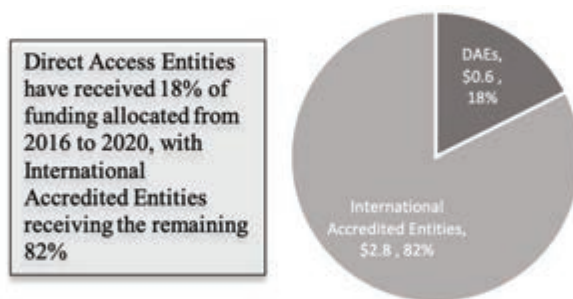
established as of December 2020 (GCF, 2020b). As of September 2021, the total pledged amount for GCF-1 reached USD 10.3 billion, with over 70% of countries increasing their contributions. This replenishment represents a small percentage of the USD 100 billion per year in overall climate finance that was committed to be mobilised by 2020 onwards and a slight increase compared to the initial round of GCF resource mobilisation from 2014. More importantly, it is a far cry from what is needed to meet the PA and the requirements of developing nations to adapt to climate change (Kawabata 2019; Roberts et al. 2021).

Some notable countries that were absent from the list of funders include the US, who under President Trump had reneged on their previous commitment made by the Obama Administration, and Russia, which has not pledged any funding. Some other countries have chosen to reduce their contributions, such as Canada, who had contributed USD 277 million to the initial round of resource mobilisation but as of December 2020 had only confirmed USD 37.6 million in funding. Similarly, Australia, who had contributed USD 187.3 million in the initial round, has not pledged any money for the replenishment. These shortcomings have been highlighted in the media and fall short of expectations from think tanks active in the climate finance debate (Farand 2019; WRI 2019). It must be noted that US President Biden has requested that the U.S. Congress allocate USD 1.2 billion to the GCF (Scott 2021).

4.4 Funding Allocation and Disbursement Rate

The GCF Board has established a demanding accreditation process to ensure that project implementation agents meet fiduciary and other standards, similar to that used by the GEF and the Adaptation Fund (GEF 2012; GCF 2017a; Adaptation Fund 2018; Basak and van der Werf 2019). Interviews indicate that the stringent accreditation requirements can be a barrier to entry for smaller agents in developing countries who may be well-poised to implement projects.²

As of November 2021, 113 entities had been approved for accreditation by the GCF Board, with direct national and regional entities representing the majority of AEs (GCF, 2020c). This is a significant change, as the first few years after the GCF's inception saw almost exclusively the accreditation of international organisations (e.g., UN agencies, regional development banks). However, the number of projects being implemented by international organisations



Source: Authors based on GCF (2015a) and GCF (2021a)

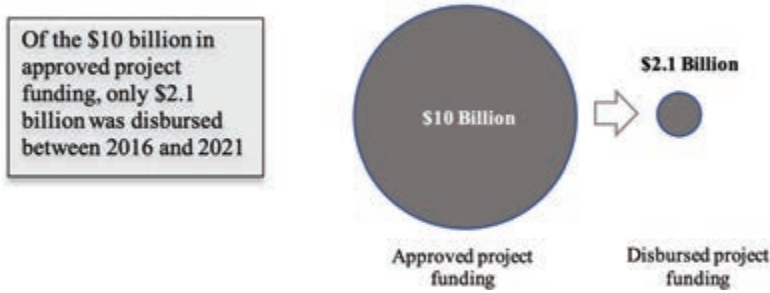
Figure 6.2 GCF funding allocation towards direct access entities versus international access entities

still accounted for the vast majority (72%) of projects under implementation in 2019, and the value of projects being implemented by DAEs is only USD 0.6 billion (18%), compared to USD 2.8 billion (82%) for their international counterparts (GCF, 2020d). Müller and Bhandary (2022) discuss how direct access could be further enhanced.

Another potential issue is that 45% of the Direct Regional and Direct National Entities are financial institutions. While this may be helpful in mobilising non-grant financing, it comes with risks to have many AEs without much expertise in climate change project implementation. This, in turn, may require such entities to make use of third-party delivery agents, thus increasing the length of the delegation chain, which can lead to greater transaction costs and the creation of complex accountability webs (Page 2006; Romzek 2015). This also risks leading to further financialisation of support to developing countries (Bertilsson and Thörn 2021).³ Similarly, a recent evaluation of the GCF's investment in SIDS found that only four out of 40 SIDS had a national DAE (GCF Independent Evaluation Unit 2020a).

The GCF had its first round of projects approved in November of 2015 (GCF 2015a). Since that first round (as of October 2021), the GCF Board has approved USD 10 billion for 190 projects to be funded across the Global South (GCF 2021a). However, the organisation has only disbursed USD 2.1 billion to date (21% of approved allocation) (GCF 2021a).

The slow approval and disbursement rate in the GCF's early years aligns with the historical precedent set by the GCF's predecessors, which were heavily criticised for their slow progress (Fenton et al. 2014). Similarly, the AF, established in 2001, did not set up its Board and other operational processes until 2007 and had approved only USD 14 million in project financing by 2010 (Adaptation Fund 2021a, 2021b). In contrast, the World Bank Climate Investment Funds, established in 2008, had disbursed USD 1 billion after only one year of operation and had allocated USD 7.7 billion across 49 countries by 2012 (CIF 2021). The GCF's slow approval and disbursement rate was, according to the key actors interviewed, in large part due to the heavy bureaucracy that has been put in place within the GCF, from the onerous accreditation process to the burdensome requirements for proposal submissions to the Board.⁴ Compliance with the many bureaucratic requirements consumes time that could be otherwise used to improve project implementation, as has been claimed by authors looking at other donors and the public sector in general (Osborne and Plastrik 2000; Ebrahim 2005; Leite 2021). Encouraging to note, however, is that the speed at which projects have been approved by the Board has increased since 2018 compared to the first few years of operation. The numbers of new projects under



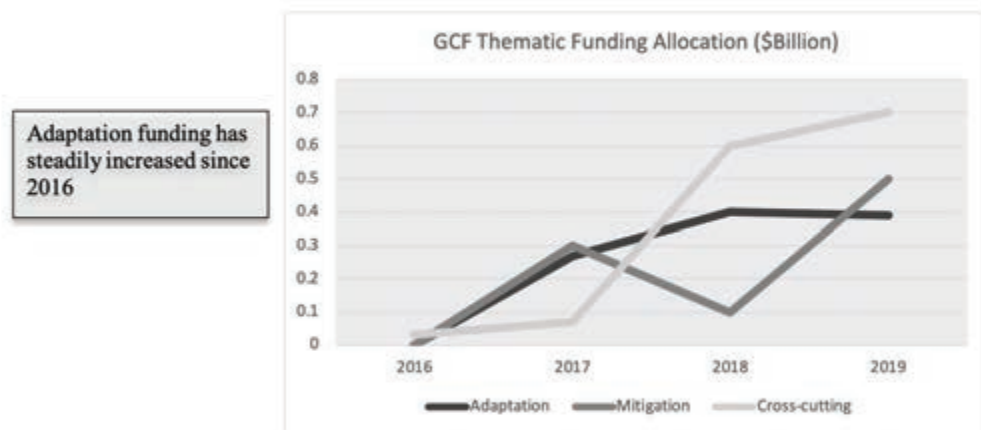
Source: Authors based on GCF (2021a)

Figure 6.3 Approved versus disbursed project funding

implementation were only 34 and 36 for 2019 and 2020, respectively (GCF 2020d, 2020e), but as of October 2021, 134 projects were under implementation, amounting to 76% of the total portfolio (GCF 2021b). It must also be noted that the GCF has had to make such progress in the challenging context of the creation of an entirely new organisation, as opposed to simply a new fund being setup within a long-standing organisational structure (e.g., the Climate Investment Funds within the World Bank, and see Reinsberg et al. 2020 for a discussion of the World Bank's processes).

Much pressure has been put on the GCF to ensure that it balances its funding allocation between mitigation and adaptation projects (UNFCCC 2011b). In 2017, adaptation projects represented only 18% of total disbursements; and as late as 2018 the GCF disbursements towards adaptation were still less than half of those going towards mitigation (GCF 2018, 2019). As of November 2020, the GCF portfolio had finally managed to reach 50% of funding towards adaptation projects, (GCF 2020e). A significant proportion of funding (USD 1.4 billion) has gone towards 'cross-cutting' projects (i.e., projects that have mitigation and adaptation components) since the GCF's inception, with the mitigation component of such projects representing 64% of resources allocated.

Unfortunately, no criteria or specific numerical targets have been set by the UNFCCC for measuring allocation equity (Pauw et al. 2020, Barrett 2022 for adaptation). However, the GCF's Governing Instrument states that the Board's allocation decisions should, in particular, take vulnerable countries into consideration, such as Least Developed Countries (LDCs), Small Island Developing States (SIDS) and African States (GCF 2011). As per the GCF's 2019 Annual Portfolio Performance Report, 61% of resources allocated by the Board have gone towards projects being implemented in vulnerable countries (GCF, 2020d). Similarly, in 2017, 63% of projects targeted vulnerable countries, and in 2018, 56% of projects approved focused on vulnerable countries (GCF 2018, 2019). This aligns with equity arguments raised in the literature that favour the allocation of resources from developed countries towards adaptation in the most vulnerable countries (Grasso 2010; Ciplet et al. 2015; Michaelowa and Namhata 2022). It also avoids antagonising those who have made strong arguments for allocating resources towards the countries where the most cost-effective mitigation can be achieved (Castro et al. 2020). Important to note is that lower-income countries have been less effective at leveraging co-financing for their GCF-funded projects than their counterparts from emerging economies (Cui et al. 2020).



Source: Authors based on GCF (2018), GCF (2019) and GCF (2020e)

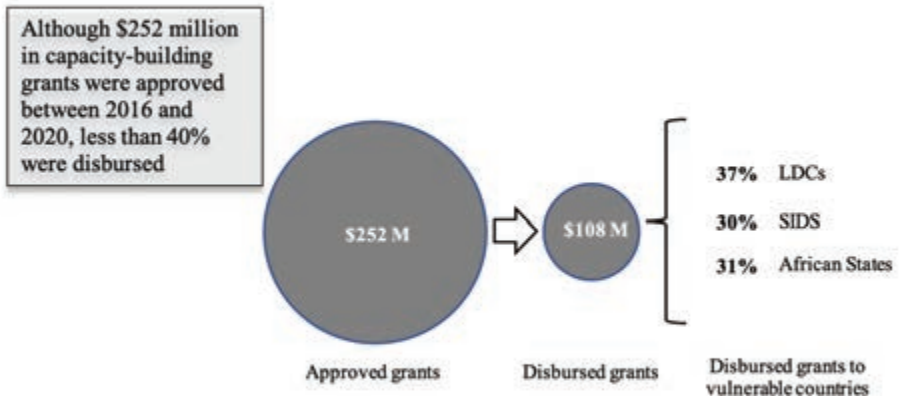
Figure 6.4 GCF thematic funding allocation

4.5 Investing in Capacity-Building

The Readiness and Preparatory Support Programme was put in place in 2014 by the GCF Board and Secretariat to build capacity in countries eligible for GCF financing, as per the Governing Instrument of the GCF (GCF 2011, 2014a). More than USD 252 million in grants for 380 readiness initiatives had been approved as of 31 May 2020 (USD 108 million disbursed), going towards low-emission development and adaptation planning, as well as strengthening the capacity of NDAs, for instance (GCF 2020f). This readiness funding has reached 80% of vulnerable countries, with 30% allocated to SIDS, 37% to LDCs and 31% to African States (GCF, 2020e).⁵ This compares very favourably with the overall climate finance provided and mobilised via bilateral, multilateral, export credits and private sources. According to the latest OECD compilation, of the USD 79.6 billion in climate finance in 2019, only 1.9% went towards SIDS, 19% to LDCs and 23% to Africa (OECD, 2021).

Respondents differed in their views regarding the wisdom of such investments, with some stating that too much had to be spent on building capacity simply to be able to access the funds, and not enough on building capacity to deliver mitigation and adaptation results. In other words, some questioned whether fewer resources would have been required if access to GCF funds could have been made easier. A recent evaluation concluded that national entities in SIDS seeking GCF accreditation lacked the capacity to develop accreditation applications. The same evaluation also identified the lack of a systematic and efficient process at the GCF to build capacity beyond accreditation, leaving weaknesses on the ground for the preparation and implementation of projects (GCF Independent Evaluation Unit, 2020a). For a discussion of the generic capacity challenges in recipients of international climate finance and ways to overcome them, see Munyazikwiye and Michaelowa (2022) for the case of Rwanda.

This may very well change shortly, as the GCF recently set new strategic priorities to increase the value-added its Secretariat can bring to help developing countries build capacity and deliver climate results (GCF 2020g). By shifting the GCF's role from a simple 'financial pass-through entity' towards a more hands-on service delivery model, whereby the GCF can act as a



Source: Authors based on GCF (2020e) and GCF (2020f)

Figure 6.5 Readiness and preparatory support programme grants approved and disbursed

‘convenor, capacity-builder and adviser through effective partnerships’, this stands to address many of the challenges faced by some of the poorest nations faced with changing climate. A recent review of the GCF Secretariat’s capabilities to deliver on its strategic plan even suggests that establishing regional offices that could provide hands-on support to developing country partners (GCF 2021c). In this context, the collaboration of the GCF with national climate funds (Gomez-Echeverri 2022) could become important. This shift in vision for the organisation will require appropriate resources for the Readiness Program, the Private Sector Facility and for the GCF staff, which the GCF Board has recently approved (GCF 2021c).

5. ACCOUNTABILITY AND LEGITIMACY

In this section the core GCF accountability regime actors and their responsibilities are described. The section also provides answers (in consecutive order) to the key questions of Mashaw (2006) laid out above.

5.1 Core Actors and Responsibilities

The GCF entails a complex set of actors that play formal and informal roles in the decision-making process, as is summarised in Table 6.2. The relationships between the GCF and its many stakeholders are construed as a set of principal–agent relationships to help analyse the interactions. Framing the interactions between the GCF and its stakeholders as principal–agent problems (i.e., when a ‘principal’ requires an ‘agent’ to undertake actions on her behalf) allows for a more systematic approach to unpack issues of motivation and incentives among the many actors that are involved, and it also supports the analysis of accountability (Basak and van der Werf 2019). This approach also allows the analysis of how these actors may react to various mechanisms that principals can put in place to ensure agents perform in accordance with principals’ objectives. As can be seen in Table 6.2, some actors play the role of principal, while others are agents, or both.

Table 6.2 The main actors in the GCF's governance and operationalisation

Actor	Role
Conference of the Parties of the UNFCCC	Provides guidance to the GCF Board on matters related to policies, funding priorities and criteria (principal vis-à-vis the GCF Board as its agent)
COP serving as the meeting of the Parties to the PA (CMA)	Plays an oversight role for the implementation of the PA
UNFCCC Secretariat	Supports the COP. Responsible for the day-to-day operations of the GCF prior to the setup of the GCF Secretariat (agent vis-à-vis the COP as its principal)
Donor countries	Provides financial contributions to the GCF (principal vis-à-vis the GCF Board as its agent)
World Bank	Acts as interim trustee (agent vis-à-vis the GCF Board as its principal)
GCF Board	Responsible for designing, approving and overseeing the implementation of the organisation (agent vis-à-vis the COP as its principal; principal vis-à-vis AEs as their agents)
GCF Secretariat	Responsible for the day-to-day management of the GCF and implementation of the decisions approved by the GCF Board (agent vis-à-vis the GCF Board as its principal; principal vis-à-vis AEs as their agents)
GCF Accountability Units (Independent Evaluation Unit, Independent Investigation Unit; Independent Redress Mechanism)	Ensures accountability, manages risk and evaluates the performance of GCF activities (principal vis-à-vis the GCF Secretariat)
Independent Technical Advisory Panel	Conducts independent technical assessments of funding proposals against the GCF's investment criteria (advisory role to the GCF Board)
Accreditation Panel	Reviews applications for accreditation and assesses applicant ability to meet the standards set by the Board (advisory role to the GCF Board)
Accredited Entities	Receives funding for and implements projects approved by the GCF Board (agent vis-à-vis the GCF Board and Secretariat as its principals)
National Designated Authorities	Responsible for the coordination of individual developing countries' access to GCF financing (principal vis-à-vis AEs as their agents; agent vis-à-vis the GCF as their principal; agent vis-à-vis their national government as their principal)
Civil-society organisations	Observers and commentators that exert informal pressure on the GCF Board to influence decisions (principal vis-à-vis the GCF as their agent)
Project beneficiaries	Those who ultimately benefit from projects funded by the GCF

Source: Authors

5.2 Who Is Being Held Accountable and by Whom?

Mashaw's first two questions focus on who is being held accountable and by whom. We briefly describe the answers to these two key questions as they pertain to the GCF's accountability regimes. The UNFCCC COP plays the role of key principal to the GCF. The COP provides guidance to the GCF Board and plays an oversight role to ensure GCF policies and funding

allocation align with the priorities and positions of the Parties to the UNFCCC. Since the PA has been in place, the GCF Board is also indirectly accountable to the Conference of the Parties serving as the meeting of the Parties to the PA (the 'CMA'). The CMA, which is a subset of the COP, plays an oversight role for the implementation of the PA, with the GCF being a key organisation for its successful implementation (UNFCCC 2021). The UNFCCC Secretariat supports the COP as its agent and, at the GCF's inception, was responsible for the day-to-day operations of the GCF until the GCF Secretariat was put in place. The role of the COP of the UNFCCC as account holder of the GCF Board was much emphasised by developing country board members, as well as CSO respondents and officials from the UNFCCC Secretariat.

Well, to me the Green Climate Fund is accountable to the COP, and it also should be accountable to its donors and contributors. And more importantly in my view, it's more accountable to the recipient countries.

(Developing country board member)

The COP's role in holding the GCF Board to account was not emphasised as much by developed country board members, who more often mentioned donor and recipient countries as account holders. Country delegates to the COP are account givers to their governments and ultimately their citizens.

The relationship between national donor agencies and the citizens from the country they represent is another, albeit indirect formal accountability relationship, via the electoral process.⁶ Donor countries play the role of principal by providing financial contributions to the GCF (as agent) based on the terms outlined in their individual Contribution Arrangements, which are between the donor, the GCF and the World Bank as trustee (GCF and World Bank 2013).⁷

The GCF Board comprises 12 members from developing countries and 12 from developed country Parties to the UNFCCC, with one co-chair from a developed country Party and the other from a developing country Party. Board members are selected to serve for a three-year term. The make-up of the Board was intended to address criticism from developing countries and CSOs regarding donors' control of the decision-making and funding allocation in other international climate funds (Halle et al. 2012; Wolfe 2015). Further addressing this criticism is the requirement that the Board take consensus-based decisions. At the time when the key informant interviews were conducted (March 2016–January 2021), there were several GCF Board members who were, in addition to having a formal decision-making role at the Board table, also either their country's NDA or members of the of their country's delegation to the UNFCCC COP meetings (or both). The reasons can be found in the lack of capacity and resources in developing countries. Individuals who have climate change experience tend to be sought after to play various roles, and often multiple roles at the same time. However, when individuals are both delegates to the COP (who is supposed to oversee the GCF or play the role of principal) and GCF Board members, this can raise perceptions of conflict of interest. Similarly, a Board member who is also an NDA might not seem objective when project proposals are considered for funding by the Board (considering NDAs often play a role in developing project proposals and are therefore agents vis-à-vis the GCF Board).

The GCF Secretariat is responsible for the day-to-day management of the GCF and the implementation of the policy decisions approved by the GCF Board (i.e., it is agent to the GCF Board), whereas the AEs are tasked with project implementation per se, based on funding allocation decisions of the GCF Board, as their principal. AEs can be 'International Access Entities' or 'Direct Access Entities' (DAEs). Many of the International Access Entities are

international organisations also involved in international development more broadly, such as UN organisations, and multilateral and regional development banks (MDBs). DAEs include sub-national, national or regional organisations that need to be nominated by developing country NDAs or focal points (GCF, 2017a). AEs receive funding from the GCF, and while they can further delegate project implementation to third parties, they need to put measures in place to ensure adequate performance of sub-grantees, as AEs are ultimately accountable to the GCF for project performance (GCF 2015b, 2016). Developed country board members have emphasised the importance of holding AEs to account, more so than their developing country counterparts. AE respondents, on the other hand, have mentioned recipient countries as account holders, as AEs often work closely with recipient country government organisations to develop projects and as project implementation partners.

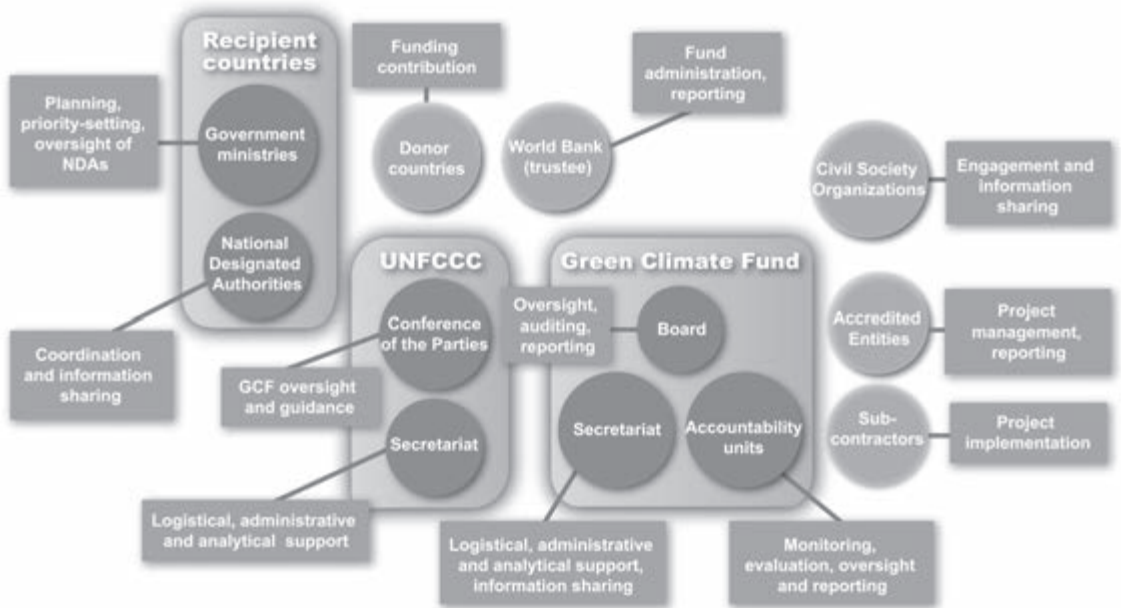
The GCF Board has put in place three separate ‘accountability units’: the Independent Evaluation Unit, the Independent Investigation Unit and the Independent Redress Mechanism. These three units serve to ensure accountability, manage risk and evaluate the performance of GCF activities (GCF, 2020c). An Independent Technical Advisory Panel was also set up to conduct independent technical assessments of funding proposals against the GCF’s investment criteria and the GCF Accreditation Panel was established to review applications for accreditation and assess applicant ability to meet the standards set by the Board (GCF 2015c, 2017a).

NDAs play a key coordination role in individual developing countries’ access to GCF financing and ensure project proposals brought forward to the GCF Board for approval align with country priorities. NDAs are therefore agents, acting on behalf of their national government. NDAs are mentioned in the GCF’s Governing Instrument (UNFCCC 2012), but the language used does not suggest they are accountable to the GCF.⁸ According to respondents, the role of NDAs varies from country to country (i.e., based on capacity and resources) and no standardised or formal set of roles and responsibilities for NDAs exists, apart from the ‘Best-Practice Guidelines’ (GCF 2014b), which are not mandatory. As per NDA respondent feedback, NDAs are being held accountable by the governments they represent, as most NDAs are housed within government ministries in their home country and have a hierarchical reporting relationship to a minister or agency head. However, this account-giving process is not transparent.

CSOs play a role as official observers at GCF Board meetings, as well as exerting informal pressure on the GCF Board to influence decisions that meet the needs of the constituencies for whom they speak. There is one representative from a developing country CSO and one from a developed country. Similarly, two observers from the private sector attend GCF Board meetings, one from a developing country, the other from a developed country. These observers are identified through a self-selection process and serve a term of two years, with a maximum of two consecutive terms (GCF 2013). The CSO respondents saw themselves as account holders vis-à-vis the GCF and mentioned the GCF Board as being ultimately accountable to them, but there is no mechanism that formally gives them this role. They rely entirely on informal means of account holding (e.g., public criticism). When CSO informants were asked who they saw themselves ultimately accountable to, all respondents stated they were accountable to other CSOs in their network and to the constituency they represent, including direct GCF project beneficiaries.⁹

5.3 Accountable for What?

In terms of what account givers are likely to be called upon to answer for (i.e., Mashaw’s third question), the most frequently mentioned items in the documents reviewed were management,



Source: Authors

Figure 6.6 What account givers are considered to be accountable for in the GCF's accountability regimes

performance, reporting and evaluation. Other items mentioned include oversight, engagement, audits and information sharing, although these were mentioned much less frequently. Respondents in all categories mentioned that, in their view, the account givers are accountable for management, reporting, evaluation, monitoring and performance.

During the course of the interviews, one of the developed country board members mentioned that the expectation at the ministerial level in their country was that the GCF be assessed with respect to development and organisational effectiveness and expected outcomes, as well as financial performance. One developed country board member mentioned their responsibility for playing an oversight role vis-à-vis the GCF and for reporting back to their minister on the GCF's progress, while another board member discussed the role of the GCF Board in funding capacity-building or 'readiness' in developing countries, so they are better prepared to access funding.

Some of the respondents mentioned a lack of formal requirements for the role of NDAs, which is seen as a gap that should be filled to ensure all potential recipient countries are at a similar state of readiness in terms of being able to produce well-coordinated and robust funding proposals. Since 2000, the GCF Secretariat has made significant efforts via its Readiness Program to build NDA capacity (GCF 2021d).

5.4 What Does the Accountability Process Look Like?

This section focuses on Mashaw's (2006) fourth question: 'By what process is accountability to be enacted?' The GCF should report back annually to the COP and receive formal guidance from the COP through decisions, which are contained in the addenda to the COP reports

(UNFCCC 2012, 2015b). Some respondents stated that this was not a satisfactory process in the early years of the GCF's inception, as the COP was having difficulty ensuring the GCF indeed implemented the guidance the COP provided. The issue of having board members who were also COP members was raised as a hindrance to effective account holding. Similarly, some respondents have alluded to performance management issues in the relationship between the GCF Board and Secretariat in the organisation's early years:

What the board can do is just request ... I can state an example about the Readiness Program, which was established at the end of 2014. But things have not moved as quickly as it should be.

(Developing country board member)

Since 2020, much progress has been made to better address COP recommendations and towards continually improving how the GCF Secretariat gives account to the COP and the GCF Board, including the Report on the activities of the Secretariat (GCF 2021b) and Annual Portfolio Performance Reports (GCF 2018, 2020d), for instance.

As GCF Board members are public servants in their respective countries, they are subject to hierarchical relationships and an annual performance review process within their home ministry, which ensures a level of accountability. Board members also make use of informal means to receive feedback from and give account to officials from other countries that are part of their 'constituency'. They interact based on trust and reciprocity, as Romzek et al. (2012) and other authors have argued is the case in informal accountability relationships. At least one respondent mentioned what consequences this informal approach can lead to:

It has taken the Board quite some time to become that truly collective entity that focuses on the almost sacred responsibility that they have. This has been related to lack of clarity on accountability of individual board members. And many of them have actually operated almost like they were there in their personal capacity. And, have articulated positions that have not necessarily been seen by everyone as being in the best interest of their constituencies.

(UNFCCC Secretariat respondent)

There is also a review process for the overall Financial Mechanism of the UNFCCC, which takes place every four years. This review serves to ensure that entities under the Financial Mechanism, including the GCF, conform to the guidance provided by the COP and fund effective climate change projects, as well as provide financing and facilitate the transfer of technology in an effective manner (UNFCCC 1998).

The account-giving process for AEs is well formalised and seems robust, as it involves multiple mandatory monitoring, evaluation and reporting requirements (GCF 2015b, 2016). This includes ongoing performance monitoring, annual reporting to the GCF, annual reviews, mid-term accreditation reviews, and ad hoc checks or periodic reviews. However, it must be noted that a recent assessment of the GCF's portfolio of projects uncovered inconsistencies in the application of the indicators used by AEs (GCF Independent Evaluation Unit, 2020b). The GCF Board has a strong focus on *ex ante* accountability of AEs.¹⁰ The keystone *ex ante* accountability mechanism used by the GCF Board is the accreditation process for potential implementing agents. A stringent system has been developed to ensure entities funded by the GCF are well-positioned to implement projects and report on their results. To receive funding, these entities must first gain accreditation from the GCF, with details of their roles and

responsibilities formally set out in several documents (GCF 2014a; GCF 2015b; GCF 2016).¹¹ Although the GCF has instituted a ‘fit-for-purpose’ accreditation system whereby entities representing a greater risk (e.g., due to the size or complexity of projects they would be eligible to manage) face more scrutiny than lower-risk ones, feedback received from some informants, including GCF Secretariat staff, indicated that accreditation still presents a significant burden for many smaller local implementing agents. This may, in turn, have impacts with respect to sustainability and country ownership if mostly larger foreign entities are accredited.¹²

The role of the three Independent Accountability Units is focused on undertaking evaluations of the performance of the GCF, investigating allegations of fraud and corruption, and receiving complaints related to the GCF’s operations. These units were not in place when the initial round of interviews was conducted. Since then, the units have been fully staffed and resourced, giving them the ability to fulfil their mandate. Since its inception, the Independent Evaluation Unit has produced more than a dozen evaluations for the GCF Board, with the Board addressing evaluation findings via formal management responses (GCF Independent Evaluation Unit 2021). The Integrity Unit has established an ‘Integrity Hotline’ and completed the GCF integrity policy framework, with key policies and implementation procedures (e.g., on anti-money laundering and the financing of terrorism, prohibited practices and the protection and prevention from sexual exploitation, sexual abuse and sexual harassment) (GCF Independent Integrity Unit 2020a). For each of its policies, the unit plans to produce annual implementation reports to give account to the Board on its progress. The unit has already produced two such implementation reports; namely, the 2020 Annual Implementation Report on the Policy on Prohibited Practices and the 2020 Annual Implementation Report on the Policy on the Protection of Whistleblowers and Witnesses (GCF Independent Integrity Unit 2020b, 2020c).

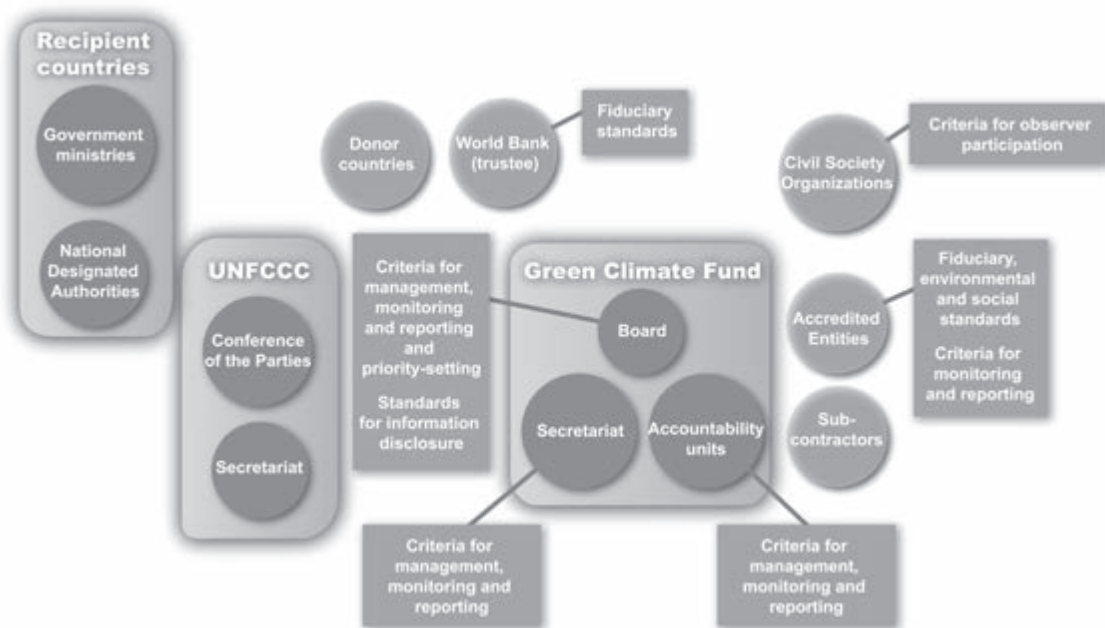
The Independent Redress Mechanism assesses compliance with policies and procedures, and undertakes investigations of the projects and programmes the GCF finances, then makes recommendations to the GCF Board so that compliance and redress can be achieved (GCF 2017b). As of November 2021, the unit had received seven and addressed six complaints from parties that felt that they had been negatively impacted by the GCF and the projects it has financed (GCF Independent Redress Mechanism 2021).

No formal account-giving role for NDAs was found in the documents reviewed, with National Designated Authorities Best-Practice Guidelines (GCF 2014b) not mentioning reporting to the GCF as a being part of the NDAs’ mandate. However, NDA respondents mentioned the important role of hierarchy and reporting structures within their home ministry.

There are only informal and ad hoc means of account-giving by CSOs. CSOs participating at board meetings coordinate informally to ensure the views from their constituencies are brought forward. CSO’s use of tools such as Twitter, and the webcasting of board meetings, plays a role in increasing transparency, and in turn creates an informal accountability mechanism by way of public pressure vis-à-vis the GCF Board.¹³ As for direct project beneficiaries, the only formal process available to them is lodging a complaint via the Independent Redress Mechanism or using the Integrity Hotline to report fraud, corruption or misconduct, as described above.

5.5 Accountability Criteria and Standards

Mashaw’s fifth question pertains to the standards or criteria used by account holders to judge the performance of account givers. The GCF’s Governing Instrument (UNFCCC, 2012) and several other documents lay out expectations and criteria that the GCF Board and Secretariat



Source: Authors

Figure 6.7 Criteria and standards within the GCF accountability regimes

should meet for management, monitoring and reporting, information disclosure, auditing and priority-setting. These criteria and standards are publicly available. Similarly, criteria have been set for the four-year review of the effectiveness of the Financial Mechanism of the UNFCCC, which include transparency of funding decisions and timeliness of disbursement of funds, for example (UNFCCC 1998).

The criteria and standards against which AEs are judged by the GCF are also well defined and publicly available. These standards and criteria seem to be well understood and taken seriously by respondents from AEs, CSOs and board members.

Another key area where performance criteria are in place is in the context of individuals' performance reviews. This was found for employees within AEs, as well as NDAs and board members reporting to their minister or agency head. Although the GCF guidelines for CSO observers (GCF 2013b) set out roles and responsibilities of active observers, no specific standards have been established for the broader role CSOs play outside board meeting attendance. Similarly, no common standards exist for the role of NDAs, except for the voluntary best practices guidelines that have been developed (GCF 2014b). CSO respondents and one board member mentioned that the uneven capacity amongst NDAs is leading to certain countries being poorly served and thus reducing their chances of obtaining funding from the GCF. As for criteria for negative impacts on those affected by GCF projects, these are laid out in the various policies and implementation procedures developed by the Independent Accountability Units.

5.6 Effects of Accountability Mechanisms

The last of Mashaw's questions is focused on understanding the consequences or effects of surpassing or failing to meet the existing criteria or standards. Formal penalties are an *ex post* mechanism applicable to only a few account givers. Although the COP provides 'guidance' to the GCF, and the GCF reports back to the COP on an annual basis, the GCF's Governing Instrument makes no mention of the COP's ability to impose any type of formal penalty to incentivise the GCF to follow the COP's guidance.¹⁴ The interviews indeed revealed that COP delegates are more likely to use informal diplomatic channels and pressure to coax the GCF Board into improving its performance and acting more in-line with the expectations of the COP. The COP also possesses the option of terminating the existence of the GCF altogether. This ultimate penalty incentivises the GCF Board and Secretariat to show compelling progress and results, although the political ramifications of terminating the GCF reduces the likelihood of this taking place, barring extreme circumstances.

The GCF documentation describes several types of formal penalties that can be imposed, but this is only with respect to AEs. These include the downgrading of their accreditation status (i.e., giving them access to projects of narrower scope or of a lesser budget), payment stoppage (i.e., ceasing to pay until a given issue is resolved), payment 'clawbacks' (i.e., requesting funds be returned to the GCF), non-renewal (i.e., not providing funding for future projects) and blacklisting (i.e., informing other organisations of an entity's poor performance or inadequacy) (GCF 2015b).

These penalties seem to be a credible threat to the actors in the regimes, as this quote illustrates:

... if the project, for one reason or the other, is not performing, it can be cancelled or suspended. There are certain triggers which are put in some of the procedures in the documents which have been developed.

(Developing country board member)

Other informants argued that the penalties most likely to be used are of an informal nature. This includes reputational risk, peer pressure, non-renewal of membership (i.e., for board members, CSO representatives), and the threat of cessation of GCF funding by a donor. According to some respondents, penalties can also be imposed via hierarchical reporting relationships. These apply mainly to individuals working within large organisations, such as board members and NDAs who work within government ministries, or individuals working for large AEs. In those instances, the penalties can take the form of a bad performance review, loss of reputation, or even dismissal, which are all strong incentives to improve their performance.

Some of the penalties, such as suspension, downgrading, or revoking the accreditation of an AE and reclaiming funds due to poor performance, although available in theory, may not be used to the fullest extent in practice, due to the nature of the accountability relationship between the GCF and certain AEs. As CSO and board member respondents mentioned, many of the entities accredited or currently seeking accreditation are government ministries in recipient countries, which makes the use of penalties diplomatically awkward. Similarly, these respondents mentioned possible hesitance to use drastic penalties with AEs headquartered in donor countries (e.g., Deutsche Bank, HSBC) to avoid political embarrassment and a diplomatic

faux pas. There is no formal penalty or ‘remedy’ scheme to incentivise CSOs to change their behaviour if they are seen as not performing adequately, apart from the possibility of losing their accreditation as observers. According to interviews, however, if a CSO observer were to poorly represent its constituency, they could lose the trust of those he or she represents, and this could lead to a vote of no-confidence to represent them as active observers.

Although none of the respondents made any reference to either rewards or output-based funding, some of the documents reviewed did mention such mechanisms, which may motivate AEs to strive for higher performance (Basak and van der Werf 2018).

6. DISCUSSION

Based on the analysis of the key elements of GCF’s accountability regimes outlined above, it is possible to assess how these can affect the GCF’s legitimacy, using the sub-components for input and output legitimacy in Table 6.1.

6.1 Openness and Transparency

Openness and transparency were found to be uneven across accountability regimes. Reports for the four-year reviews of the Financial Mechanism of the UNFCCC are made available on the UNFCCC website (see for instance UNFCCC Standing Committee on Finance (2014)), as are the reports of the GCF to the COP and the guidance to the GCF (see for instance UNFCCC (2013, 2018, 2019). The fiduciary principles and standards of the Board (GCF 2014c), as well as environmental and social safeguards (GCF 2014d), are clearly laid out and available to the public, which strengthens input legitimacy. Board meeting agendas, minutes and decisions are available on the GCF website, as are all documents approved by the Board and proposals submitted for review.¹⁵ In addition, the webcasting of board meetings also serves to strengthen transparency and thereby input legitimacy. On the other hand, although NDAs are being held accountable by the governments they represent, this account-giving process is not transparent. Similarly, no formal forum exists where CSOs could be held accountable; only informal and ad hoc means for account-giving are in place. This lack of a transparent process for assessing CSOs’ performance undermines input legitimacy. Allowing CSOs to participate at GCF Board meetings as observers and CSOs’ interactions with NDAs serves to increase input legitimacy (i.e., by increasing openness and transparency).

6.2 Inclusivity of Decision-Making

The inclusivity of decision-making could be improved across most accountability regimes. An area of relatively weak accountability is that of country delegates to the COP, who are account givers to their governments and, ultimately, their citizens. As Przeworski et al. (1999) have noted, the electoral process is not an adequate means of account holding, as it is too far removed from the decision-making process. This is particularly the case for issues of an international nature, which are often in the hands of the executive (Zürn 2004). Similarly, the relationship between national donor agencies and the citizens from the country they represent is another accountability relationship that relies on the electoral process, which does not offer much opportunity for inclusive decision-making. Although CSOs are observers at GCF Board

meetings and participate in various ways, they have no formal role in the decision-making process, which reduces input legitimacy. The COP's formal oversight role of the GCF builds input legitimacy because it represents all Parties to the UNFCCC, including developed and developing countries (as opposed to giving control to donor countries only). However, having GCF board members 'overseeing themselves' as members of the COP could erode legitimacy if the perceived or real conflict of interest becomes a broader concern across the accountability web's actors. The GCF's recent pivot away from being a flow-through funding organisation towards efforts to co-develop projects and programmes in partnership with developing countries also offers a significant opportunity to increase the organisation's input legitimacy via joint decision-making at the inception phase.¹⁶

6.3 Management Processes and Practices

The management processes and practices are strong across most accountability regimes. The creation of the GCF Accountability Units signals that the Board takes accountability seriously and thus increases input legitimacy. The GCF Board and Secretariat have instituted a strong system for monitoring, evaluation and reporting, as well as established criteria and standards for assessing AEs, which increases input legitimacy. Most funding proposals lay out clearly how sub-grantees are to be monitored and evaluated, which also increases input legitimacy. However, the lack of a formal process for the monitoring and evaluation of NDAs and CSOs weakens input legitimacy.

Other management systems and practices serving to increase input legitimacy include the stringent accreditation system; the fiduciary, environmental and social standards for the GCF's operations; and the system of penalties and rewards for AEs. The Board's efforts to encourage the development of strong NDAs to help coordinate project proposals also increases input legitimacy. In addition, NDAs are being held accountable by the governments they represent through a hierarchical reporting relationship to a minister or agency head, thus increasing input legitimacy. Similarly, for individuals working within large organisations (e.g., board members and NDAs who work within government ministries, or individuals working for large AEs), penalties can be imposed via hierarchical reporting relationships, which builds input legitimacy.

Although the guidelines for observers to the GCF set out the roles and responsibilities of active observers, no specific standards have been put in place against which CSOs could be consistently and objectively judged with respect to the broader role they play outside of board meeting attendance. Similarly, no common standards exist for the role of NDAs, which may reduce input legitimacy. However, the Independent Accountability Units have established clear processes to address negative impacts on those affected by GCF projects, including the Integrity Hotline and the Redress Mechanism, which bolsters input legitimacy.

6.4 Problem-Solving Effectiveness

It is too early to determine with certainty if there is strong problem-solving effectiveness across regimes. AEs' implementation of output-based funding to incentivise implementing partners to perform well may build output legitimacy if it leads to improved performance once projects are implemented. In countries where NDAs do not meet performance expectations of stakeholders, this may lead to decreased output legitimacy. However, the GCF Secretariat has recently setup

the Office of Portfolio Management, which will have a role to play in terms of accountability and perhaps increase problem-solving effectiveness in the medium term.

The processes established by the Independent Accountability Units have also started to bear fruit, with four complaints already addressed satisfactorily by the Independent Redress Mechanism, for instance (GCF Independent Redress Mechanism 2021). If the Independent Accountability Units continue to focus on problem-solving, as they have since their inception, this should help increase output legitimacy.

6.5 Fairness and Equity

Fairness and equity is another area of relative strength across the GCF accountability regimes. The GCF Board composition is perceived as being fairer than a system where larger donors would hold more sway as in the MDBs.

The accreditation system for AEs is perceived by some as disadvantaging smaller local implementing agents. If mostly larger foreign entities are accredited, this may, in turn, have impacts with respect to sustainability of the projects and country ownership, which could lead to a degradation of output legitimacy, as this could be perceived as unfair. The accreditation process aims to reduce adverse selection, which is, as Akerlof (1970) explained, when an agent (e.g., implementing entity) hides the fact that it may not be qualified to deliver results as per the principal's (e.g., the financing institution) expectations. Pre-screening is used by many climate change financing institutions to ensure implementing agents are equipped for sound project and financial management. The GCF's formal accreditation process requires interested agents to put together a package that describes in detail how the applicant will contribute to GCF objectives; the scope of its intended activities; and how it meets GCF fiduciary criteria, environmental and social safeguards and the GCF's gender policy (GCF 2015d). Therefore, accreditation gives GCF officials a greater assurance that implementing agents are suitable to undertake the tasks at hand, which, in turn, can reduce the likelihood of project failure.

Such a pre-screening and accreditation process has the advantage of revealing additional information to the climate change financing institution, as it serves as 'signalling'. The implementing agents that are likely to offer a higher quality 'product' (i.e., those that are offering their climate change project implementation services knowing that they are equipped and qualified to reduce the likelihood of project failure) should be more willing to undergo the pre-screening process. This is similar to the case of high-quality used car owners who are willing to provide buyers a warranty in the 'market for lemons' paper by Akerlof (1970). Of course, this also creates an incentive for 'low-quality' agents to send a false signal by undergoing the pre-screening process and falsifying the required documentation. However, the consequences of being caught for fraud are quite serious, which incentivises submission of truthful information for accreditation purposes.

In practice, the additional advantage of the pre-screening and accreditation process is that it also provides officials in the climate change financing institution a paper trail showing that they indeed went through a due diligence process prior to providing funding.¹⁷ This is especially critical in the case of the GCF, which is also required to give account to other parties, such as its trustee, other donors, elected officials and the general public. However, undergoing accreditation entails significant cost. Accreditation for the GCF can take several months to complete and requires a review by the GCF Secretariat, an Accreditation Panel and the GCF Board, as well as the payment of accreditation fees (GCF 2017a). The implementing agents need to go

through accreditation prior to knowing if they will even receive funding from the GCF for any proposals the AE may develop. In other words, the accreditation cost is borne *ex ante*, based on the implied probability that a contract will indeed be offered.

There has been an increased number of national and regional entities that have received accreditation from the GCF in recent years, which can be construed as increasing input legitimacy, because it broadens participation (Colenbrander et al. 2018). However, the accreditation process, which controls for adverse selection, risks creating a barrier to entry for entities that are unable to meet or are unwilling to go through the accreditation process imposed by the GCF.¹⁸ Indeed, this has been mentioned as an important concern by many key informants interviewed in the context of our research, and many organisations (public, private and not-for-profit), which the first author has interacted with in the context of various climate finance consultancies. As mentioned in the Status and Challenges section, 45% of the organisations that have been accredited as Direct Regional and Direct National Entities are financial institutions. This is not surprising, considering that a key component of the GCF accreditation process is meeting fiduciary standards, something financial institutions, by their very nature, are well-positioned to do. If accreditation creates a barrier that limits the number (and type) of players who can apply for climate change project funding (as only AEs can apply for funding) this risks giving AEs oligopoly power. This could, in turn, drive up the payment AEs can fetch (compared to a fully open system without this barrier to entry) and even have impacts with respect to sustainability and country ownership if mostly larger foreign entities are accredited.¹⁹ Another impact of this barrier to entry, as well as of having mostly larger international organisations and local financial institutions successfully accredited, is that it can lead to accountability challenges and greater transaction costs. If the entities who are successful at obtaining GCF accreditation do not possess the required project design and implementation expertise, this will require more involvement of third-party delivery agents, as discussed above, and related agency problems (Basak and van der Werf, 2019).

To avoid such a barrier to entry, this calls for increased investment in capacity-building for DAEs. As of July 2020, the GCF's Readiness and Preparatory Support Programme was indeed planning to strengthen readiness support for the pre-accreditation stage of DAEs (GCF 2020f). The Updated Strategic Plan for the Green Climate Fund: 2020–2023 also recognises the need for the organisation to take a second look at the types of entities it needs to accredit and to further simplify the accreditation process (GCF 2020g). However, as others have noted, capacity-building efforts need to go beyond increasing the number of DAEs and also improve their ability to effectively deliver projects that are country-owned and bring concrete results to targeted beneficiaries (Zamarioli et al. 2020, Müller and Bhandary 2022). The GCF Secretariat, as part of its new strategic priorities, indeed hopes to increase its value-added to help developing countries build capacity and deliver climate results (GCF, 2020g). If this shift in vision for the GCF can be accompanied by adequate resources to make the vision a reality, this stands to dramatically accelerate the climate results that can be achieved in developing countries. The GCF Board's recent decision to allocate new resources to the GCF Secretariat for it to grow its staff to provide this additional support to developing countries is no doubt a step in the right direction.

As Duus-Otterström (2016) reminds us, the COP has held as a key principle that climate finance should be allocated to countries that are most vulnerable and has instructed the GCF to do so. Pressure to ensure that GCF funds go towards the most vulnerable countries has also been present from the beginning. In particular, climate finance going towards adaptation has

been considered by many as a just approach to provide financial support (from rich countries who have mostly created global warming) to the developing countries who will face the brunt of the climate change impacts (Colenbrander et al. 2018). GCF funding allocation to date has focused on many of the most vulnerable countries, as measured by the Germanwatch Climate Risk Index (Eckstein et al. 2018), therefore contributing to output legitimacy. With the majority of projects under implementation being in vulnerable countries from the outset, the GCF has been seen to be responsive to such concerns, which creates output legitimacy. However, the vast majority of projects being implemented by international organisations as opposed to national or regional entities can be seen as eroding output legitimacy. The GCF's new vision and strategic priorities, with their increased focus on hands-on support for project development and DAEs, should narrow this output legitimacy gap over time. Another concern is whether there is an underinvestment in projects where country conditions might make a project riskier (Basak and van der Werf 2019). For instance, weak institutions in many fragile states might prevent the achievement of GCF accreditation for DAEs and could also make project proposals in such countries less attractive to the Board, leading to 'darlings and orphans', as is often the case for international aid (Carment and Samy 2016). This is an area where more transparency on the part of the GCF would be welcome so that third-party analysis of allocation decisions can be more comprehensively undertaken. This is also an area that the GCF may find challenging to address, even with its increased focus on hands-on support and the potential for the creation of regional offices in such locations.

Finally, there are areas where it is too early to assess how legitimacy might be affected: will there be a willingness to impose penalties upon AEs if their performance is unsatisfactory? If penalties are not imposed equally across AEs (e.g., due to diplomatic reasons), this could be perceived as unfair and would reduce output legitimacy. Similarly, funding allocation has an impact on perceived fairness (Pickering et al. 2017). Perhaps more importantly, only time will tell if the various mechanisms in place (e.g., output-based funding, CSO pressure) in the accountability regimes will, in turn, lead to improved project performance.

7. CONCLUSIONS AND OUTLOOK

The GCF has faced multiple challenges since its inception and has continually been closely scrutinised as a flagship institution at the centre of efforts to mobilise international climate finance. Understanding the actors and elements within GCF's accountability regime is of key import to assessing the legitimacy of the Fund. Through a detailed document review and key informant interviews it was possible to describe the key elements of the accountability regimes of the GCF, which we then assessed for their contribution to input and output legitimacy.

Several elements of GCF regimes may have positive impact on input legitimacy, including the COP's formal role of overseeing GCF, the creation of the GCF Accountability Units and the stringent accreditation system for AEs. The GCF's shift towards partnerships and co-development with developing countries also bodes well for building input legitimacy, as this offers opportunities for joint decision-making at the inception phase.

Similarly, output legitimacy is bolstered by the Board's composition of equal numbers of developing and developed country members, the GCF's funding allocation towards countries most vulnerable to climate change impacts, and the successful resolution of complaints by the Independent Redress Mechanism and the Independent Integrity Unit. In its early days, the

GCF, like its predecessors, was reproached for being slow mobilising, allocating and disbursing funds. However, with progress accelerating at a much greater pace since 2020, we may see such criticism abate.

The GCF's significant efforts to ensure a large number of national and regional entities obtain accreditation fosters output legitimacy. The GCF's responsiveness to the need for funding for the most vulnerable countries increases its output legitimacy, although implementing most projects via international organisations does not. The possibility that the GCF might be underinvesting in projects where country conditions might make the project riskier could lead to decreased output legitimacy. Increasing transparency about specific allocation decisions, perhaps via a database (as opposed to via annual reports and dispersed information on the organisation's website), would allow external parties (and indeed the GCF's many account holders) to undertake impartial analysis of the organisation's portfolio of projects.

Other elements of GCF accountability regimes that may negatively impact the Fund's output legitimacy include the lack of a formal role for CSOs in the GCF decision-making process and the accreditation system for AEs potentially disadvantaging smaller local implementing agents. The GCF has put in place a stringent accreditation process, a key accountability measure. Accreditation of the entities it provides funding to ensures that such entities are well-positioned to implement projects, report on their results and achieve good climate change outcomes for mitigation and adaptation. Accreditation serves as a signal for those offering their climate change project implementation services and provides GCF officials a due diligence defence of sorts in the event that a project should fail. However, if accreditation is too onerous, it risks creating a barrier to entry for some entities. This could be especially problematic for smaller implementing entities from developing countries. Therefore, an appropriate balance needs to be struck between controlling adverse selection and ensuring there is an adequate level of competition in the market for climate change project implementation. Failing to achieve such a balance threatens sustainability and country ownership of climate change actions in the countries most at risk. The GCF could increase the number and diversity of AEs if it further simplified its accreditation process. The GCF's efforts to support entities at the pre-accreditation stage and the organisation's new vision to bring value-added support to developing countries via greater partnership and co-development are significant steps in the right direction.

The GCF should continue to simplify the accreditation process and perhaps also increase its willingness to take calculated risks to increase the diversity of AEs and country ownership. Similarly, there is a need for the GCF and donors more broadly to continue their support in building capacity and 'readiness' in developing countries. This should include support to local AEs to meet the stringent accountability measures associated with access to GCF financing.

The GCF could also reduce uncertainty about project approval for its AEs (agents) if streamlined processes were established for certain types of projects. For instance, the GCF could develop clearer guidance, criteria and templates for projects that are known to be essential and effective for adaptation (e.g., coastal protection via grey and green infrastructure, early warning and emergency response systems). Proponents of such projects should not have to conduct in-depth studies to justify their economic benefits, as such projects have already been deemed essential and effective to adaptation, but should rather be supported by the GCF Secretariat so that they can integrate lessons learned from similar projects that have already been approved by the GCF Board over the past few years. Indeed, the GCF has already started to do this through its sectoral guides and intends to produce more of such guidance, which is a move in the right direction. There are now even plans for the GCF Secretariat to conduct training sessions on its

integrated results management framework to ensure that proposals meet requirements, as well as for new dedicated funding for DAEs to support the implementation of GCF policies (GCF 2021d).

If accessing funds from the GCF can be further simplified, fewer resources would have to be expended building capacity to navigate the organisation's bureaucracy. Resources could then instead be allocated to building capacity for new talent to take on the roles of NDA and developing country Board members, for instance, thus alleviating the potential for conflicts of interest when a single person has to play multiple account holding roles.

Overall, the GCF has put in place many elements that stand to lead to accountability and legitimacy improvements compared to many of its predecessors. The GCF's new vision of going beyond being a mere 'financial pass-through entity' and its track record of continually improving its practices stand to build its input and output legitimacy even further over time. Although it is too early to assess, once successful projects start bringing about measurable impacts, this should also lead to increases in output legitimacy of the fund. With the work of the Taskforce on Access to Climate Finance (UK Government, 2021) and the Climate Finance Delivery Plan (UK COP 26 Presidency 2021), this may help mobilise additional resources for the GCF and, in turn, further legitimise the fund.

NOTES

1. The terminology in the literature can be confusing, as some authors use the term 'accountee' for the account holder, while others use the term 'accountor' (Auel 2007; Kluvers and Tippet 2010).
2. This bureaucratic burden has also been reported in the mass media. See, for example, <https://www.theguardian.com/global-development-professionals-network/2016/feb/15/small-island-states-green-climate-fund>
3. Financialisation, for Bertilsson and Thörn (2021), is the increased use of financial products in climate finance. For many authors, financialisation implies the increasing dominance of the finance industry in a country's economy and increasing debt-to-equity ratios (Dore 2000).
4. This is also validated through the personal experience of one of this chapter's authors, who has undertaken many consultancies to help NDAs and AEs with GCF accreditation and the development of project proposals.
5. As the GCF notes in its Annual Portfolio Performance Report, there is overlap between the categories of LDCs, SIDS and African States (e.g., Madagascar belongs in all the three categories).
6. This relationship was mentioned neither in the documents reviewed nor during the interviews conducted.
7. As trustee, the World Bank is tasked with the administration of the GCF's financial resources and has a legal obligation to administer these funds solely for the purposes specified by the GCF and its funders.
8. This is similar to the combined role of GEF political focal points and GEF operational focal points (GEF 1996).
9. CSOs have formed an independent constituency comprising national, regional and international organisations from around the globe to coordinate interactions with the GCF (Germanwatch 2019). This is similar to the GEF-CSO Network, which dates back to 1995 (GEF-CSO Network 2018).
10. Certain accountability mechanisms are put in place prior to any work being undertaken or even before any money has been transferred between donor and recipient (e.g., processes and controls), which is termed '*ex ante*' in this chapter, whereas others take effect only after the transfer of money and the expending of effort by the recipient has taken place (e.g., penalties, oversight), which is termed '*ex post*'. This terminology is used by various other authors (Bovens 2007; Broadbent et al. 1996; Soudry 2008).
11. A similar process is in place for the accreditation of Global Environmental Facility Project Agencies (GEF 2012) and Adaptation Fund Implementing Entities (Adaptation Fund 2018).
12. Here, sustainability is used to mean the ability of the project to self-sustain once the initial funding has sunset.
13. The COP and many of its subsidiary bodies have been using webcasting as a transparency tool for many years (see <http://unfccc.int/press/multimedia/webcasts/items/2777.php>). For instance, the Clean Development Mechanism Executive Board meetings have been webcast since the early 2000s (see <http://unfccc.int/press/multimedia/webcasts/items/5859.php>). The World Bank's Climate Investment Funds have been selective in their disclosure, opting to webcast only certain events, such as its Partnership Forum (see <https://www-cif.climateinvestmentfunds.org/partnership-forum>). Other institutions involved in international climate financing, such as the GEF, have

- opted not to webcast their council meetings, nor their Expanded Constituency Workshops, although they do publish a significant number of documents for these meetings (see <https://www.thegef.org/council-meetings/>).
14. The Global Environment Facility is also under the guidance of the COP (GEF 2014).
 15. However, unlike the stakeholder consultations process under the Kyoto Protocol Clean Development Mechanism, GCF project proposals are not made publicly available for comments (Schade and Obergassel 2014). Individual NDAs and AEs may choose to make such documents available for public comments, but this process is not being facilitated by the GCF via its website, for example.
 16. The recently approved ASEAN Catalytic Green Finance Facility (ACGF): Green Recovery Program (April 2021) is a prime example of the GCF's efforts to work with partners to co-develop country-owned programs via innovative, blended financing (ADB 2021).
 17. Due diligence for legal and accountability purposes; that is, exerting an appropriate level of caution and investigation prior to extending financing to satisfy contractual, legal and reputational requirements or expectations (Asenova and Beck 2010).
 18. More specifically, as some have argued, it could represent an antitrust, primary or ancillary barrier (McAfee et al. 2004).
 19. Here, sustainability is used to mean the ability of the project to self-sustain once the initial funding has sunset.

REFERENCES

- Abbott, Kenneth W.; Gartner, David (2011): The Green Climate Fund and the Future of Environmental Governance, No. 16, EARTH System Governance Working Paper, Earth System Governance, Lund and Amsterdam.
- Adaptation Fund (2018): Legal Agreement between the Adaptation Fund Board and Implementing Entity, Adaptation Fund, Washington, DC.
- Adaptation Fund (2019): Adaptation Fund – Governance, <https://www.adaptation-fund.org/about/governance/> (accessed 9 February 2021).
- Adaptation Fund (2021a): 10 Years of the Adaptation Fund, <https://www.adaptation-fund.org/af-10-years/> (accessed 29 January 2022).
- Adaptation Fund (2021b): Adaptation Fund Timeline, <https://www.adaptation-fund.org/about/adaptation-fund-timeline/> (accessed 29 January 2022).
- ADB (2021): FP156 ASEAN Catalytic Green Finance Facility (ACGF): Green Recovery Program, Green Climate Fund, Songdo International Business District, South Korea.
- Akerlof, George A. (1970): The Market for 'Lemons': Quality Uncertainty and the Market Mechanism, in: *The Quarterly Journal of Economics*, 84 (3), pp. 488–500.
- Antimiani, Alessandro; Costantini, Valeria; Markandya, Anil; Paglialunga, Elena; Sforza, Giorgia (2017): The Green Climate Fund as an effective compensatory mechanism in global climate negotiations, in: *Environmental Science and Policy*, 77, pp. 49–68.
- Asenova, Darinka; Beck, Matthias (2010): Crucial silences. When accountability met PFI and finance capital, in: *Critical Perspectives on Accounting*, 21 (1), pp. 1–13.
- Auel, Katrin (2007): Democratic Accountability and National Parliaments. Redefining the Impact of Parliamentary Scrutiny in EU Affairs, in: *European Law Journal*, 13 (4), pp. 487–504.
- Bäckstrand, Karin (2008): Accountability of Networked Climate Governance – The Rise of Transnational Climate Partnerships, in: *Global Environmental Politics*, 8 (3), pp. 74–102.
- Bäckstrand, Karin; Khan, Jamil; Kronsell, Anica; Lövbrand, Eva (2010): The promise of new modes of environmental governance, in: Bäckstrand, Karin; Khan, Jamil; Kronsell, Anica; Lövbrand, Eva (eds.): *Environmental Politics and Deliberative Democracy. Examining the Promise of New Modes of Governance*, Edward Elgar, Cheltenham, pp. 3–27.
- Ballesteros, Athena; Nakhoda, Smita; Werksman, Jacob; Hurlburt, Kaija (2010): Power, responsibility, and accountability. Rethinking the legitimacy of institutions for climate finance, in: *Climate Law*, 1 (2), pp. 261–312.
- Barrett, Sam (2022): 20 years of adaptation finance: taking stock of origins, destinations and determinants of allocation, in: Michaelowa, Axel; Sacherer, Anne-Kathrin (eds.): *Handbook of international climate finance*, Edward Elgar, Cheltenham, pp. 187–212.
- Basak, Rishi; van der Werf, Edwin (2018): Moral Hazard in International Climate Change Financing, Wageningen, The Netherlands.
- Basak, Rishi; van der Werf, Edwin (2019): Accountability mechanisms in international climate change financing, in: *International Environmental Agreements*, in: *Politics, Law and Economics*, 19, pp. 297–313.
- Bemelmans-Videc, Maria; Lonsdale, Jeremy; Perrin, Burt; Etzioni, Amitai (2007): *Making Accountability Work. Dilemmas for Evaluation and for Audi*, Routledge, New Brunswick and London.
- Benner, Thorsten; Reinicke, Wolfgang H.; Witte, Jan Martin (2004): Multisectoral Networks in Global Governance. Towards a Pluralistic System of Accountability, in: *Government and Opposition*, 39 (2), pp. 191–210.

- Bernstein, Steven (2011): Legitimacy in intergovernmental and non-state global governance, in: *Review of International Political Economy*, 18 (1), pp. 17–51.
- Bertilsson, Jonas; Thörn, Håkan (2021): Discourses on transformational change and paradigm shift in the Green Climate Fund. The divide over financialization and country ownership, in: *Environmental Politics*, 30 (3), pp. 423–41.
- Best, Jaqueline (2012): Ambiguity and Uncertainty in International Organizations. A History of Debating IMF Conditionality, in: *International Studies Quarterly*, 56 (4), pp. 674–88.
- Bhandary, Rishikesh Ram; Gallagher, Kelly Sims; Zhang, Fang (2021): Climate finance policy in practice: a review of the evidence, in: *Climate Policy*, 21 (4), pp. 529–45.
- Biermann, Frank; Gupta, Aarti (2011): Accountability and Legitimacy in Earth System Governance: A Research Framework, in: *Ecological Economics*, 70 (11), pp. 1856–64.
- Bird, Neil; Brown, Jessica; Schalatek, Liane (2011): Design Challenges for the Green Climate Fund, Heinrich Boll Stiftung North America, Overseas Development Institute, London.
- Blagescu, Monica; de Las Casas, Lucy; Lloyd, Robert (2005): Pathways to Accountability. The GAP framework, One World Trust, London.
- Bodansky, Daniel (1999): The Legitimacy of International Governance: A Coming Challenge for International Environmental Law?, in: *The American Journal of International Law*, 93 (3), pp. 596–624.
- Bovens, Mark (2007): Analysing and Assessing Accountability: A Conceptual Framework, in: *European Law Journal*, 13 (4), pp. 447–68.
- Bracking, Sarah (2015): The anti-politics of climate finance: The creation and performativity of the green climate fund, in: *Antipode*, 47 (2), pp. 281–302.
- Broadbent, Jane; Dietrich, Michael; Laughlin, Richard (1996): The Development of Principal-Agent, Contracting and Accountability Relationships in the Public Sector. Conceptual and Cultural Problems, in: *Critical Perspectives on Accounting*, 7, pp. 259–84.
- Buchanan, Allen; Keohane, Robert O. (2006): The Legitimacy of Global Governance Institutions, in: *Ethics & International Affairs*, 20 (4), pp. 405–37.
- Bunea, Adriana (2018): Legitimacy through targeted transparency? Regulatory effectiveness and sustainability of lobbying regulation in the European Union, in: *European Journal of Political Research*, 57 (2), pp. 378–403.
- Carment, David; Samy, Yiagadeesen (2016): Canada's Fragile States Policy. What Have We Accomplished and Where Do We Go from Here?, in: Brown, Stephen; den Heyer, Molly; Black, David R. (eds.), *Rethinking Canadian Aid*, University of Ottawa Press, pp. 221–35.
- Castro, Paula; Michaelowa, Katharina; Namhata, Chandreyee (2020): Donor accountability reconsidered. Aid allocation in the age of global public goods, in: *Proceedings of the Presentation at Political Economy of International Organizations*, 20–22 February 2020, p. 37.
- CIF (2021): History of the CIF, <https://www.climateinvestmentfunds.org/timeline-cif> (accessed 29 January 2022).
- Ciplet, David; Roberts, J. Timmons; Khan, Mizan (2013): The Politics of International Climate Adaptation Funding. Justice and Division in the Greenhouse, in: *Global Environmental Politics*, 13 (1), pp. 49–68.
- Ciplet, David; Roberts, J. Timmons; Khan, Mizan R. (2015): *Power in a Warming World: The New Global Politics of Climate Change and the Remaking of Environmental Inequality*, MIT Press, Cambridge, MA and London.
- Climate Policy Initiative (2019): *Global Landscape of Climate Finance 2019*, Climate Policy Initiative Report, London.
- Colenbrander, Sarah; Dodman, David; Mitlin, Diana (2017): Using climate finance to advance climate justice: the politics and practice of channelling resources to the local level, in: *Climate Policy*, 18 (7), pp. 902–15.
- Colenbrander, Sarah; Dodman, David; Mitlin, Diana (2018): Climate finance to advance climate justice: the politics and practice of channelling resources to the local level, in: *Climate Policy*, 18 (7), pp. 902–15.
- Cui, Lianbiao; Huang, Yuran (2018): Exploring the Schemes for Green Climate Fund Financing: International Lessons, in: *World Development*, 101, pp. 173–87.
- Cui, Lianbiao; Sun, Yi; Song, Malin; Zhu, Lei (2020): Co-financing in the green climate fund: lessons from the global environment facility, in: *Climate Policy*, 20 (1), pp. 95–108.
- Curtin, Deirdre; Meijer, Albert Jacob (2006): Does transparency strengthen legitimacy? A critical analysis of European Union policy documents, in: *Information Polity*, 11, pp. 109–22.
- Dore, R.P. (2000), *Stock Market Capitalism: Welfare Capitalism: Japan and Germany versus the Anglo-Saxons*, Oxford University Press, Oxford.
- Dubnick, Melvin (2005): Accountability and the Promise of Performance. In Search of the Mechanisms, in: *Public Performance & Management Review*, 28 (3), pp. 376–417.
- Duus-Otterström, Göran (2016): Allocating climate adaptation finance. Examining three ethical arguments for recipient control, in: *International Environmental Agreements: Politics, Law and Economics*, 16 (5), pp. 655–70.
- Ebrahim, Alnoor (2005): Accountability Myopia. Losing Sight of Organizational Learning, in: *Nonprofit and Voluntary Sector Quarterly*, 34 (1), pp. 56–87.
- Eckstein, David; Künzel, Vera; Schäfer, Laura (2018): Briefing Paper. Global Climate Risk Index 2018, Who Suffers Most From Extreme Weather Events? Weather-related Loss Events in 2016 and 1997 to 2016, Germanwatch, Bonn.

- Climate Home News (2019): Green Climate Fund replenishment fails to fill hole left by Trump's US, <https://www.climatechangenews.com/2019/10/25/green-climate-fund-replenishment-fails-fill-hole-left-trumps-us/> (accessed 29 January 2022).
- Fenton, Adrian; Wright, Helena; Afionis, Stavros; Paavola Jouni; Huq, Saleemul (2014): Debt relief and financing climate change action, in: *Nature Climate Change*, 4, pp. 650–53.
- GCF (2011): Governing Instrument, Durban, South Africa.
- GCF (2013): Guidelines Relating to the Observer Participation, Accreditation of Observer Organizations and Participation of Active Observers, Songdo.
- GCF (2014a): Revised Programme of Work on Readiness and Preparatory Support, Green Climate Fund, Bridgetown, Barbados.
- GCF (2014b): Annex XIII. Initial Best-Practice Guidelines for the Selection and Establishment of National Designated Authorities and Focal Points, Songdo.
- GCF (2014c): Annex II. Initial Fiduciary Principles and Standards of the Fund, Songdo.
- GCF (2014d): Annex III. Interim environmental and social safeguards of the Fund, Songdo.
- GCF (2015a): Green Climate Fund approves first 8 investments, Board gears up to larger scale projects in the near future, <https://www.greenclimate.fund/news/green-climate-fund-approves-first-8-investmen-1> (accessed 23 November 2020).
- GCF (2015b): Agenda Item 15: Initial Monitoring and Accountability Framework for Accredited Entities, Songdo I.
- GCF (2015c): Terms of Reference of the Technical Advisory Panel, Songdo.
- GCF (2015d): Green Climate Fund Accreditation Application Form, Songdo.
- GCF (2016): Accreditation Master Agreement between the Environmental Investment Fund and the Green Climate Fund, Songdo.
- GCF (2017a): Accreditation to the Green Climate Fund, Songdo.
- GCF (2017b): Decision of the Board on updated Terms of Reference of the Independent Redress Mechanism (Revised), Songdo.
- GCF (2018): Annual Portfolio Performance Report (2017), Songdo.
- GCF (2019): Annual Portfolio Performance Report (2018), Songdo.
- GCF (2020a): Initial Resource Mobilisation, <https://www.greenclimate.fund/about/resource-mobilisation/irm#overview> (accessed 7 January 2021).
- GCF (2020b): Status of Pledges and Contributions, Songdo.
- GCF (2020c): About us. Partners, <https://www.greenclimate.fund/about/partners/ae> (accessed 7 December 2021).
- GCF (2020d): Annual Portfolio Performance Report (2019), Songdo.
- GCF (2020e): GCF at a Glance. Project Portfolio, (accessed 17 December 2020).
- GCF (2020f): Readiness and Preparatory Support Programme. Work Programme and Budget 2020–2021, Songdo.
- GCF (2020g): Updated Strategic Plan for the Green Climate Fund. 2020–2023, Songdo.
- GCF (2021a): GCF At a Glance. Project Portfolio, <https://www.greenclimate.fund/document/gcf-glance> (accessed 20 November 2021).
- GCF (2021b): Report on the activities of the Secretariat, Songdo.
- GCF (2021c): Review of Secretariat capabilities to deliver the updated Strategic Plan for 2020–2023, Songdo.
- GCF (2021d): Integrated Results Management Framework, Songdo.
- GCF Independent Evaluation Unit (2020a): Independent evaluation of the relevance and effectiveness of the green climate fund's investments in small island developing states, Songdo.
- GCF Independent Evaluation Unit (2020b): Addressing gaps in the current portfolio for measurement, Songdo.
- GCF Independent Evaluation Unit (2021): Independent Evaluation Unit 2021 Work Plan and Budget and Update of its Three-year Objectives and Work Plan, Songdo.
- GCF Independent Integrity Unit (2020a): Workplan and budget of the Independent Integrity Unit for 2020, Songdo.
- GCF Independent Integrity Unit (2020b): Annual Implementation Report on the Policy on Prohibited Practices, Songdo.
- GCF Independent Integrity Unit (2020c): Annual Implementation Report on the Policy on the Protection of Whistle-blowers and Witnesses, Songdo.
- GCF Independent Redress Mechanism (2021): Case register, <https://irm.greenclimate.fund/case-register> (accessed 20 November 2021).
- GCF; World Bank (2013): Agreement on the Terms and Conditions for the Administration of the Green Climate Fund Trust Fund, Bonn and Washington.
- GEF-CSO Network (2018): History of the GEF-CSO Network, <http://www.gefngo.org/history-of-the-gef-cso-network/> (accessed 19 March 2020).
- GEF (1996): GEF Focal Points, Washington, DC.
- GEF (2012): Procedure. Accreditation of GEF Project Agencies, Washington, DC.
- GEF (2014): Guidance From the Conference of the Parties and Responses by the Global Environment Facility, Washington, DC.
- GEF (2020a): Who we are, <https://www.thegef.org/who-we-are?page=15> (accessed 17 December 2020).

- GEF (2020b): Funding, <https://www.thegef.org/who-we-are/funding> (accessed 17 December 2020).
- George, Alexander L.; Bennett, Andrew (2004): *Case Studies and Theory Development in the Social Sciences*, MIT Press, London, UK.
- Germanwatch (2019): *Civil society engagement with the Green Climate Fund*, Germanwatch, Bonn.
- Gomez-Echeverri, Luis (2022): National climate funds, in: Michaelowa, Axel; Sacherer, Anne-Kathrin (eds.): *Handbook of international climate finance*, Edward Elgar, Cheltenham, pp. 167–86.
- Goodhart, Michael (2011): Democratic Accountability in Global Politics. Norms, not Agents, in: *The Journal of Politics*, 73 (1), pp. 45–60.
- Grasso, Marco (2010): An ethical approach to climate adaptation finance, in: *Global Environmental Change*, 20, pp. 74–81.
- Groff, Maja; Karlsson-Vinkhuyzen, Sylvia (2018): The Rule of Law as a Global Public Good – Exploring Trajectories for Democratizing Global Governance Through Increased Accountability, in: Cogolati, Samuel; Wouters, Jan (eds.), *Global Public Goods, Global Commons and Democracy. New Paradigms for a Democratic Global Governance?*, Edward Elgar, Cheltenham, pp. 130–59.
- Halle, Mark; Wolfe, Robert; Drake, Anna (2012): *Locating Accountability. Conceptual and Categorical Challenges in the Literature*. Entwined and International Institute for Sustainable Development, Winnipeg.
- Holstein, James A.; Gubrium, Jaber F. (1995): *The Active Interview*, Sage Publications, California.
- Hsieh, Hsiu-Fang; Shannon, Sarah E. (2005): Three Approaches to Qualitative Content Analysis, in: *Qualitative Health Research*, 15 (9), pp. 1277–88.
- Karlsson-Vinkhuyzen, Sylvia L.; Vihma, Antto (2009): Comparing the legitimacy and effectiveness of global hard and soft law: An analytical framework, in: *Regulation and Governance*, 3 (4), pp. 400–420.
- Kawabata, Toyo (2019): What are the determinants for financial institutions to mobilise climate finance?, in: *Journal of Sustainable Finance and Investment*, 9 (4), pp. 263–81.
- Keohane, Robert; Grant, Ruth W. (2005): Accountability and Abuses of Power in World Politics, in: *American Political Science Review*, 99 (1), pp. 29–43.
- King Simrell, Cheryl; Feltey, Kathryn; O'Neill Susel, Bridget (1998): The Question of Participation. Toward Authentic Public Participation in Public Administration, in: *Public Administration Review*, 58 (4), pp. 317–26.
- Klabbers, Jan (2013): Law, ethics and global governance. Accountability in perspective, in: *New Zealand Journal of Public and International Law*, 11 (2), pp. 309–21.
- Kluvers, Ron; Tippet, John (2010): Mechanisms of accountability in local government. An exploratory study, in: *International Journal of Business and Management*, 5 (7), pp. 46–53.
- Koenig-Archibugi, Mathias (2011): Is global democracy possible?, in: *European Journal of International Relations*, 17 (3), pp. 519–42.
- Koppell, Jonathan G.S. (2010): *World Rule: Accountability, Legitimacy, and the Design of Global Governance*, University of Chicago Press, Chicago.
- Kramarz, Teresa; Park, Susan (2016): Accountability in Global Environmental Governance. A Meaningful Tool for Action?, in: *Global Environmental Politics*, 16 (2), 00349.
- Lange, Andreas; Vogt, Carsten; Ziegler, Andreas (2007): On the importance of equity in international climate policy. An empirical analysis, in: *Energy Economics*, 29 (3), pp. 545–62.
- Lebel, Lebel; Salamanca, Albert; Kallayanamitra, Chalisa (2017): The governance of adaptation financing: Pursuing legitimacy at multiple levels, in: *International Journal of Global Warming*, 11 (2), pp. 226–45.
- Leite, Joaquim (2021): *Barriers and Enablers for the Coordination of Climate Change-Related Official Development Assistance in Mozambique. Expressed Perceptions of Involved Stakeholders*, Lunds University, Lund.
- Leung, Philomena; Cooper, Barry J.; Perera, Luckmika (2011): Accountability structures and management relationships of internal audit: an Australian study, in: *Managerial Auditing Journal*, 26(9), pp. 794–816.
- Mascarenhas, Michael; Scarce, Rik (2004): 'The intention was good'. Legitimacy, consensus-based decision making, and the case of forest planning in British Columbia, Canada, in: *Society and Natural Resources*, 17, pp. 17–38.
- Mashaw, Jerry (2006): *Accountability and Institutional Design. Some Thoughts on the Grammar of Governance*, in: Dowdle, Michael (ed.), *Public Accountability. Designs, Dilemmas and Experiences*, Cambridge University Press, Cambridge, pp. 115–56.
- McAfee, Preston; Mialon, Hugo; Williams, Michael (2004): What is a Barrier to Entry, in: *The American Economic Review*, 94 (2), pp. 461–65.
- Michaelowa, Katharina; Namhata, Chandreyee (2022): Climate finance as development aid, in: Michaelowa, Axel; Sacherer, Anne-Kathrin (eds.): *Handbook of international climate finance*, Edward Elgar, Cheltenham, pp. 62–82.
- Möhner, Annett; Klein, Richard (2007): *The Global Environment Facility. Funding for Adaptation or Adapting to Funds?*, Stockholm Environment Institute, Stockholm.
- Müller, Benito (2011): Time to Roll Up the Sleeves – Even Higher! Longer-term climate finance after Cancún, in: *Environmental Liability: Law, Policy, and Practice*, 19 (1), pp. 3–7.
- Müller, Benito; Bhandary, Rishikesh (2022): Enhanced Direct Access: the first decade, in: Michaelowa, Axel; Sacherer, Anne-Kathrin (eds.): *Handbook of international climate finance*, Edward Elgar, Cheltenham, pp. 333–51.

- Munyazikwiye, Faustin; Michaelowa, Axel (2022): The Rwandan approach to maximizing benefits from international climate finance, in: Michaelowa, Axel; Sacherer, Anne-Kathrin (eds.): *Handbook of international climate finance*, Edward Elgar, Cheltenham, pp. 242–54.
- OECD (2021): *Climate Finance Provided and Mobilised by Developed Countries Aggregate trends updated with 2019 data*, in: *Climate Finance and the USD 100 Billion Goal*, Paris.
- Omukuti, Jessica; Marchant, Robert; White, Piran (2021): COP26 as an opportunity to further democratise the Green Climate Fund, in: *The Lancet Planetary Health*, 5 (8), pp. e497–98.
- Osborne, David; Plastrik, Peter (2000): The Reinventor's Fieldbook: Tools for Transforming Your Government, in: *Journal of Policy Analysis and Management*, 20 (4), pp. 786–8.
- Page, Stephen (2006): The Web of Managerial Accountability. The Impact of Reinventing Government, in: *Administration & Society*, 38 (2), pp. 166–97.
- Panel on Public Participation in Environmental Assessment and Decision Making (2008): *Public Participation in Environmental Assessment and Decision Making*, The National Academies Press, Washington, D.C.
- Paterson, Barbara (2010): Within-Case Analysis, in: Mills, Albert J.; Durepos, Gabrielle; Wiebe, Elden (eds.), *Encyclopedia of Case Study Research*, Sage Publications, Thousand Oaks, California.
- Pauw, Pieter (2015): Not a panacea: private-sector engagement in adaptation and adaptation finance in developing countries, in: *Climate Policy*, 15 (5), pp. 583–603.
- Pauw, Pieter; Castro, Paula; Pickering, Jonathan; Bhasin, Shikha (2020): Conditional nationally determined contributions in the Paris Agreement: foothold for equity or Achilles heel?, in: *Climate Policy*, 20 (4), pp. 468–84.
- Pickering, Jonathan; Betzold, Carola; Skovgaard, Jakob (2017): Special issue: managing fragmentation and complexity in the emerging system of international climate finance, in: *International Environmental Agreements: Politics, Law and Economics*, Springer Netherlands, 17 (1), pp. 1–16.
- Przeworski, Adam; Stokes, Susan; Manin, Bernard (1999): *Democracy, Accountability, and Representation*, Cambridge University Press, Cambridge.
- Ratajczak-Juszkó, Izabela; Nyka, Maciej (2022): Financial aspects of international legal regulations of climate change: between two concepts: the common concern of humankind and the common but differentiated responsibilities, in: Michaelowa, Axel; Sacherer, Anne-Kathrin (eds.): *Handbook of international climate finance*, Edward Elgar, Cheltenham, pp. 84–103.
- Reinsberg, Bernhard; Shishlov, Igor; Michaelowa, Katharina; Michaelowa, Axel (2020): Do MDB trust funds allocate climate finance efficiently?, in: *Sustainability*, 12, No. 14, #5529.
- Roberts, Timmons; Weikmans, Romain; Robinson, Stacy-Ann; Ciple, David; Khan, Mizan; Falzon, Danielle (2021): Rebooting a failed promise of climate finance, in: *Nature Climate Change*, 11 (3), pp. 180–82.
- Romzek, Barbara (2015): The Tangled Web of Accountability in Contracting Networks, in: Dubnick, Melvin; Frederickson, George (eds.), *Accountable Governance: Problems and Promises*, Routledge, London and New York, pp. 22–39.
- Romzek, Barbara; LeRoux, Kelly; Blackmar, Jeannette (2012): A Preliminary Theory of Informal Accountability Among Network Organizational Actors, in: *Public Administration Review*, 72 (3), pp. 442–53.
- Schade, Jeanette; Obergassel, Wolfgang (2014): Human rights and the Clean Development Mechanism, in: *Cambridge Review of International Affairs*, 27 (4), pp. 717–35.
- Schalatek, Liane (2012): Democratizing climate finance governance and the public funding of climate action, in: *Democratization*, 19 (5), pp. 951–73.
- Scharpf, Fritz (1997): Economic integration, democracy and the welfare state, in: *Journal of European Public Policy*, 4 (1), pp. 18–36.
- Scharpf, Fritz (1998), *Interdependence and Democratic Legitimation*, No. 98/2, Max-Planck-Institute for the Study of Societies, Cologne.
- Scholte, Jan (2011): Towards greater legitimacy in global governance, in: *Review of International Political Economy*, 18 (1), pp. 110–20.
- Scott, Dean (2021): Biden Doubles Down on Green Climate Fund for Developing Nations, Bloomberg Law, <https://bna.com/news/bna.com/environment-and-energy/biden-doubles-down-on-green-climate-fund-for-developing-nations> (accessed 26 July 2021).
- Soudry, Ohad (2008): A Principal-Agent Analysis of Accountability in Public Procurement, in: Piga, Gustavo; Thai, Khi. (eds.), *Advancing Public Procurement: Practices, Innovation and Knowledge Sharing*, PrAcademics Press, Boca Raton, Florida, pp. 432–51.
- Spradley, James (1979): *The Ethnographic Interview*, Waveland Press, Long Grove, Illinois.
- Stadelmann, Martin; Michaelowa, Axel; Roberts, Timmons (2013): Difficulties in accounting for private finance in international climate policy, in: *Climate Policy*, 13 (6), pp. 718–37.
- Steffek, Jens (2010): Public Accountability and the Public Sphere of International Governance, in: *Ethics & International Affairs*, 1 (1), pp. 45–68.
- UK COP26 Presidency (2021): *Climate Finance Delivery Plan: Meeting the USD 100 billion goal*, <https://ukcop26.org/wp-content/uploads/2021/10/Climate-Finance-Delivery-Plan-1.pdf> (accessed 29 January 2022).
- UK Government (2021): *Taskforce on Access to Climate Finance – Revised concept note*, London.

- UNFCCC (1994): UN Framework Convention on Climate Change, Geneva, https://unfccc.int/files/essential_background/background_publications_htmlpdf/application/pdf/conveng.pdf (accessed 4 November 2021).
- UNFCCC (1996): Report of the Conference of the Parties on Its Second Session, Held at Geneva from 8 to 19 July 1996, Addendum-Part Two: Action Taken by the Conference of the Parties.
- UNFCCC (1998): Review of the financial mechanism, Decision 3/CP.4, Bonn.
- UNFCCC (2001): Funding under the Convention, Decision 7/CP.7, Bonn.
- UNFCCC (2009): COP15. Copenhagen Accord – Draft Decision, FCCC/CP/2009/L.7.
- UNFCCC (2011a): Report of the Conference of the Parties on its sixteenth session, held in Cancún from 29 November to 10 December 2010, Decision 1/CP.16.
- UNFCCC (2011b): Report of the Transitional Committee for the design of the Green Climate Fund, Durban, South Africa.
- UNFCCC (2012): Report of the Conference of the Parties on its seventeenth session, held in Durban from 28 November to 11 December 2011, Bonn.
- UNFCCC (2013): Report of the Conference of the Parties on its eighteenth session, held in Doha from 26 November to 8 December 2012, Bonn.
- UNFCCC (2014): Report of the Conference of the Parties on its nineteenth session, held in Warsaw from 11 to 23 November 2013 Addendum Part two: Action taken by the Conference of the Parties at its nineteenth session, Bonn.
- UNFCCC (2015a): Paris Agreement, Bonn.
- UNFCCC (2015b): Report of the Green Climate Fund to the Conference of the Parties, Bonn.
- UNFCCC (2018a): Solidarity and Just Transition Silesia Declaration, UNFCCC, Katowice.
- UNFCCC (2018b): Report of the Green Climate Fund to the Conference of the Parties and guidance to the Green Climate Fund, United Nations Framework Convention on Climate Change, Katowice, Poland, Bonn.
- UNFCCC (2019a): Introduction to climate finance, https://unfccc.int/topics/climate_finance/the-big-picture/introduction-to-climate_finance (accessed 4 January 2021).
- UNFCCC (2019b): Draft decision -/CP.25 Report of the Green Climate Fund to the Conference of the Parties and guidance to the Green Climate Fund, UNFCCC, Madrid.
- UNFCCC (2021): Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA), <https://unfccc.int/process/bodies/supreme-bodies/conference-of-the-parties-serving-as-the-meeting-of-the-parties-to-the-paris-agreement-cma> (accessed 11 May 2021).
- USDUNFCCC Standing Committee on Finance (2014): Fifth review of the Financial Mechanism, Bonn.
- Wilmshurst, Trevor; Frost, Geoffrey (2000): Corporate environmental reporting. A test of legitimacy theory, in: *Accounting, Auditing & Accountability Journal*, 13 (1), pp. 10–26.
- Wolfe, Robert (2015): An anatomy of accountability at the WTO, in: *Global Policy*, 6 (1), pp. 13–23.
- WRI (2019): How Much Should Countries Contribute to the Green Climate Fund's Replenishment?, <https://www.wri.org/blog/2019/04/how-much-should-countries-contribute-green-climate-funds-replenishment> (accessed 29 January 2022).
- Zadek, Simon (2011): Beyond climate finance: from accountability to productivity in addressing the climate challenge, in: *Climate Policy*, 11 (3), pp. 1058–68.
- Zamarioli, Luis H.; Pauw, Pieter; Grüning, Christine (2020): Country Ownership as the Means for Paradigm Shift: The Case of the Green Climate Fund, in: *Sustainability*, 12 (14), 5714.
- Zürn, Michael (2004): Global Governance and Legitimacy Problems, in: *Government and Opposition*, 39 (2), pp. 260–87.