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CLIMATE  
FUND**

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# GCF Evaluation Policy

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## **Summary**

This document presents the draft decision for the GCF Evaluation Policy. The policy will be presented to the Board at B22. The associated standards, procedures and guidelines that are needed to implement the Policy are being developed and will be delivered within 2019.

## I. Introduction

1. The Terms of Reference of the IEU request that it ‘develop and update the evaluation policy of the Fund.’<sup>1</sup> Additionally this is referred to in the GCF Board’s decision (B.19/21). Accordingly Annex I of this document contains a draft proposed decision for the GCF Board to consider. Annex II lays out the elements of the Evaluation Policy (herein “the Policy”) for the GCF and its key attributes. Subsequent documents will present the standards, procedures, and guidelines that will be needed to implement the Policy.

2. The Policy establishes the principles, criteria, roles and responsibilities for stakeholders involved in its oversight and implementation. These include stakeholders of the GCF including the GCF Board and its appointed bodies and groups, the COP, UNFCCC, the GCF Secretariat, the IEU, the Independent Redress Mechanism (IRM), the Independent Integrity Unit (IIU), Accredited Entities (AEs), National Designated Authorities (NDAs), the civil society and the private sector.

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<sup>1</sup> GCF/B.06/18

## Annex I: Draft decision by the Board

The Board, having considered document GCF/B.22/29 titled “GCF Evaluation Policy”:

- (a) Adopts the GCF Evaluation Policy as presented in annex II to this document; and
- (b) Requests that the IEU update the Terms of Reference for the Unit (GCF/B.06/09(a)) and for the Head of the IEU (GCF/B.10/05(k)) and present it subsequently for approval by the GCF Board.

DRAFT

## Annex II:

# THE GCF EVALUATION POLICY

December 17, 2018

The Independent Evaluation Unit (IEU)

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## I. Objective

1. At its nineteenth meeting, the GCF Board requested the Independent Evaluation Unit (IEU) to prepare the Evaluation Policy (herein “the Policy”) for the GCF.<sup>2</sup> This document lays out the elements of the Policy and key attributes. Subsequent documents will present standards, procedures, and guidelines to implement the Policy.

## II. Context of the Evaluation Policy

2. The Green Climate Fund (GCF) or the “Fund” is an operating entity of the financial mechanism of the United Nations Framework Convention on Climate Change (UNFCCC). It is accountable to and functions under the guidance of its Conference of Parties (COP). The GCF was created to make significant and ambitious contributions to the global effort to combat climate change and to promote a paradigm shift towards low-emission and climate-resilient development pathways. The GCF provides support to developing countries to limit or reduce their greenhouse gas emissions and adapt to climate change, while accounting for the needs of those developing countries that are particularly vulnerable to the adverse effects of climate change.<sup>3</sup>

3. The Governing Instrument for the Green Climate Fund specifies that:

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

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

*61. Reports of the Fund’s independent evaluation unit will be provided to the COP for purposes of periodic reviews of the financial mechanism of the Convention.*

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

4. The Policy establishes the principles, criteria, roles and responsibilities for stakeholders involved in its oversight and implementation. Stakeholders of the GCF include the GCF Board and its appointed bodies and groups, the COP, UNFCCC, GCF Secretariat, the IEU, the Independent Redress Mechanism (IRM), the Independent Integrity Unit (IIU), Accredited Entities (AEs), National Designated Authorities (NDAs), civil society and private sector.

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<sup>2</sup> GCF/B.19/43.

<sup>3</sup> Governing Instrument for the Green Climate Fund, 2011 (paragraph 2).

5. In developing the Policy, the IEU consulted with more than a hundred stakeholders from inside and outside the Fund;<sup>4</sup> reviewed and analysed requirements as laid out in the GCF's mandate, as stated in its Governing Instrument, and the guidance from the UNFCCC and COP; assessed current policies and frameworks of the Fund to ensure completeness and consistency; and examined good practices on evaluation functions and policies in comparator agencies (see Annex I).

6. The Policy considers the overall mandate and guidance provided by the UNFCCC, the early stages of the GCF, the primacy of country ownership, existing Board decisions and the overall challenges of evaluating investments that aim to mitigate or adapt to the impacts of climate change.

7. The Policy considers the principles of the 2005 Paris Declaration on Aid Effectiveness and takes into account the importance of national contexts, capacity and coordination. It also recognizes the commitments made in the implementation of Agenda 2030 and its Sustainable Development Goals (SDGs) that include enhanced transparency, evidence on results, accountability and efficiency of all stakeholders.

### III. Scope of the Evaluation Policy

8. The scope of the Policy addresses the evaluation needs of the Fund as it relates to informing its performance, effectiveness and efficiency. It also informs the overall evaluation criteria, as laid out in the approved terms of reference of the IEU (see Section VI).<sup>5</sup> These include: (i) relevance, effectiveness, efficiency, impact and sustainability of projects and programmes, (ii) coherence in climate finance delivery with other multilateral entities; (iii) gender equity; (iv) country ownership of projects and programmes; (v) innovativeness in result areas and (vi) replication and scalability. The Policy covers the evaluation function of the IEU and the Secretariat as well as GCF entities. The scope of the Policy includes all instruments and topics to the extent that they influence and impact the overall performance of the GCF, including policies, programmes, structures, frameworks, processes, procedures and investments. The Policy also covers the evaluation-related functions and relevant evaluation capacity development needs of accredited entities and other entities associated with the GCF. It covers the evaluation needs of the other two GCF independent units: the IRM and the IIU.

9. The Policy does not cover the monitoring functions of the Fund and its staff, except where they are related to the evaluation function. It also recognizes that significant responsibilities for monitoring, and the scope and roles and responsibilities for it, is discussed comprehensively in the GCF Monitoring and Accountability Framework (MAF) and the Performance Measurement Framework (PMF).

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<sup>4</sup> Those consulted through the GCF and IEU side events, webinars and individual interviews over a process of more than six months include members of the Board and Board Advisors (17), the UNFCCC Secretariat (2), National Designated Authorities (4), Accredited Entities (20), Civil Society Organizations (15), Private Sector (2), Evaluation Policy Reference Groups (8) or other UN agencies (6), Advisors to the IEU Head (3), and staff from different GCF units (19), and other GCF stakeholders (11) including those representing regional advisors, accredited entities candidates, etc.

<sup>5</sup> GCF/B0.6/09(a). Decisions of the Board – Sixth Meeting of the Board 19-21 February 2014 (17 April 2014).

10. Other policies and frameworks are acknowledged by this Policy such as the Results Management Framework (RMF), the risk management framework, Committee of Sponsoring of the Treadway Commission (COSO)<sup>6</sup>, and the investment criteria. Table 1 shows the complementarity of the Policy with these frameworks and policies.

**Table 1: Relationship between the Policy and other GCF Frameworks**

NO.	GCF POLICY OR FRAMEWORK	RELEVANT ELEMENTS FOR THE POLICY	IEU'S ROLE
1.	Results management framework (RMF)	Core, impact and outcome indicators in the RMF are reported by GCF entities, in the Annual Project Reports (APRs) and in project level evaluation reports submitted to the GCF. Indicators specified in the framework should also be used for results management during the lifecycle of a GCF investment.	The IEU validates the credibility and quality of reported indicators and of evaluation and progress reports.
2.	Risk management framework of the Fund and COSO*	Risks are identified for systems, projects and AEs and methods for mitigation are set up under the guidance of the GCF Secretariat.	IEU may evaluate the framework as necessary, including particular risks and mitigation approaches. The IEU validates the quality of risk assessments and consequently the quality of risk mitigation. IEU is part of the third line of responsibility of the GCF of the Internal Control Framework
3.	Performance management framework and the investment criteria	Investment criteria specified in the Performance Management Framework (PMF) are used for assessing the GCF's potential investments, in reporting results, in project completion reports, in project evaluations and in evaluations of GCF investments.	The IEU's evaluation criteria incorporate the investment criteria, and all IEU project and portfolio evaluations assess the rigor and credibility of GCF investments using these criteria (among other IEU evaluation criteria).
4.	Monitoring and Accountability Framework (MAF)	According to the MAF, evaluations of GCF investments are submitted by the AEs on performance and results. They also report on indicators provided in other policies such as the Environmental and Social Safeguards, fiduciary standards, and gender policy.	The IEU guides by setting standards and enables capacity building amongst AEs to support climate relevance and climate sensitive reporting and rigorous impartial evaluations. It also assesses the rigor and credibility of progress and evaluation reports.
5.	Policy to set up the Independent Integrity Unit	The IIU undertakes investigations of integrity-related issues.	IIU reports may be incorporated into the IEU's reports while maintaining confidentiality. The

<sup>6</sup> Decision B.BM-2015/06: Decision of the Board on the Administrative Guidelines on the Internal Control Framework and Internal Audit Standards.

NO.	GCF POLICY OR FRAMEWORK	RELEVANT ELEMENTS FOR THE POLICY	IEU'S ROLE
			IEU may evaluate the integrity function of the Fund.
6.	Policy to set up the Independent Redress Mechanism	The IRM takes on redress cases when they qualify.	IRM reports may be incorporated into the IEU's reports while ensuring confidentiality. The IEU may evaluate the redress mechanism function of the Fund.
7.	All other policies, programmes and frameworks of the Fund	After being approved by the GCF Board, the GCF Secretariat is responsible for implementing policies and programmes and for ensuring their incorporation into the design, implementation and envisioned results of the GCF.	The IEU may undertake evaluations of GCF policies, programmes and frameworks as well as undertake evaluations of the Fund and its structure and organization and report on the performance of the Fund to the Board, the COP and the UNFCCC. It may also use findings and lessons to provide strategic guidance to the Board. The IEU makes recommendations to ensure that the GCF is a learning organization and provides strategic guidance to the Board.

\* The Risk Management Framework will be submitted to the GCF Board for approval at B.22.

11. Once the Policy is approved by the GCF Board, the IEU will develop standards, procedures and operational guidelines, to support the implementation and oversight of the Policy.

#### **IV. Aim, Definition and Theory of Change**

12. The aim of the Policy is to set up the framework to help the Fund to credibly assess and measure whether and how much the GCF is contributing to a paradigm shift towards low-emission and climate resilient development pathways. Credible information will strategically advise and support the UNFCCC, COP, GCF Board, and GCF Secretariat in their decision-making process. Overall and following the Governing Instrument and the IEU TOR, the role of the Policy is to provide the institutional, systemic, and human capacity to enable the IEU to provide strategic guidance to the Board and to provide credible information on the performance of the GCF. The Policy encourages staying at the forefront of theory and practice for evaluating climate change initiatives and underscores the importance of wide dissemination and knowledge sharing.

13. The Policy's definition of evaluation is as follows: *Evaluation is the assessment of evidence to inform what works and what does not, why, for whom, how much and under what circumstances.* The role of evaluation is to help measure expected and unexpected results and consequences and examine how and why change occurred (or not).



14. Evaluation at the GCF promotes and supports several functions. These include accountability, learning and knowledge sharing, and (evaluation related) capacity development and leadership. In promoting **accountability**, it underscores the important role for all GCF stakeholders in ensuring that results are measured, reported and understood. In supporting **learning** and **knowledge sharing**, it specifically recognizes the role of GCF staff as well as the overall evaluation and climate change practitioners to inform decision-making and improve future operations using evaluative evidence. In supporting evaluation-related **capacity development**, the Policy recognizes the critical role of GCF's entities, NDAs and other partners for evaluation. The Policy underscores the importance of credible evidence in guiding GCF investments in developing countries to transition to low-emission, climate resilient development pathways. Given the primary focus of GCF, the Policy also recognizes that the GCF should take a **leadership** role in the evaluation of climate change investments and technical assistance.
15. The Policy contributes to the overall performance of the Fund through developing accountability and creating a culture of learning built from impartial, credible, independent and trusted evidence and evidence-based strategies and implementation. The IEU is the overall custodian of the Policy and ensures oversight and support of its implementation.
16. The overall theory of change for the evaluation function is based on the following rationale: trusted high-quality evidence produced from credible and independent evaluations help to inform the investment policies of the Fund by guiding the Fund and providing strategic guidance to the Board overall. This, in turn, ensures that GCF investments have greater impact and contribute to building a healthy planet.
17. The theory of change underlines the critical roles that the GCF Board, Secretariat and AEs play in ensuring successful implementation of the Policy. For the overall aims of the Policy to be met, important conditions need to be fulfilled. **First**, there is internal and external demand for high-quality evaluations, as requested and approved by the GCF Board, that helps provide relevant evidence for strategic guidance. It also assumes the GCF Board and the IEU are providing sufficient and useful guidance for creating appropriate and enabling conditions for its success; and further, that the GCF Board provides strong guidance, supports the evaluation function and Policy, and reviews actions resulting from recommendations originating from evaluations. Recommendations on this guidance will be provided in guidelines that will be developed subsequently by the IEU. **Second**, it presumes there is enough human, institutional and systems capacity within the IEU and the AEs to provide these evaluations in a high-quality and timely manner. It also assumes there is enough recognition and capacity in the GCF Secretariat to implement and ensure the conditions for producing good quality evaluations are available and used. These include capacities for data and information that are planned for in all GCF investments. Requirements for capacities and resources will be laid out in the standards and guidelines that will be developed by the IEU subsequent to this policy being approved. **Third**, it assumes evaluation standards are recognized in all GCF's policies and frameworks.

## V. Principles for Evaluations

18. All evaluations undertaken by the IEU, GCF Secretariat and AEs will uphold the following principles.

(a) They should be **impartial, objective and unbiased**. All evaluations must be operationally and analytically unbiased and should be ethical while upholding the Fund's conflicts of interest policies<sup>7</sup> and those specific to the evaluation profession, for example, the United Nations Evaluation Group's (UNEG) Code of Conduct for Evaluations (2008), including the absence of conflict of interest.<sup>8</sup> At the level of the institution, the impartiality, objectivity and unbiased principles will be ensured by clear roles and responsibilities, and can be validated by an evaluation budget, mandate, reporting lines, independent quality assurance and independent reviews, assessment and evaluations. Evaluations must be free from external influence and bias in their design, selection, frameworks, findings, conclusions and recommendations. Additionally, in the case of the IEU and AEs independent evaluation offices, all evaluations related to GCF investments should be **independent** from management and governing bodies of the institutions and are expected to be reported publicly.

(b) **Relevance and use:** All evaluations must be relevant to the question at hand and should be usable for decision-making, accountability and learning. They should provide strategic guidance and should be timely. To ensure use and relevance, the choice and timing of evaluations undertaken should aim to maximize benefits to stakeholders. Recommendations from all independent evaluations should be discussed with the GCF Board, be clear on responsibility and timing, and be followed up with an action plan (to be prepared by the GCF Secretariat together with other relevant stakeholders). An important way in which the GCF's independent evaluations enhance relevance and use is by the GCF Board conducting annual reviews on the progress made in implementing the recommendations from these evaluations.

(c) **Credibility:** All evaluations need to be complete, fair and based on standards of evidence, expertise and transparency. Evaluation results should be replicable. Evaluations must incorporate pre-determined protocols, be based on well-researched scoping work, and must use high-quality and relevant data. Findings and results must be triangulated using different methods and should be benchmarked against similar programmes to ensure best learning. They should also include references to relevant evidence reviews which enable GCF evaluations to build on existing bodies of evidence.

(d) **Measurability:** All evaluations should, to the extent possible, be able to measure the GCF's performance at both the overall level and the sub-Fund level, which would only be possible if GCF investments incorporate the capacity for rigorous data and information. All evaluations should focus on using credible and independent data and methodologies that measure and assess what, how and how much the GCF is contributing to mitigation and adaptation to climate change. Mixed methods are standard across the world and should be employed by all GCF evaluations.

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<sup>7</sup> GCF/B.10/13/Rev.01. Policies on Ethics and Conflicts of Interest. (8 July 2015). GCF/B.09/03. Policy on Ethics and Conflicts of Interest for the Board. (16 April 2015)

<sup>8</sup> IEU to develop guidelines for conflicts of interest in evaluations taking into consideration the GCF's policies of Conflicts of Interest. IEU is an observer in UNEG.

## VI. Evaluation Criteria

19. All GCF evaluations will employ the evaluation criteria specified in the TOR of the IEU. Table 2 maps these criteria to the criteria used by the Fund to assess investments. The evaluation criteria should be considered while developing evaluations' terms of reference and project mid-term and final evaluation reports, for example. In keeping with the guidance provided by the OECD-DAC<sup>9</sup>, not all criteria need to be included and some evaluations may include additional criteria. These criteria are relevant to private sector and public sector investments. Subsequently, guidelines and protocols will be developed by the IEU to further define these criteria. Table 2 provides guidance on the type of issues that should be considered under each of the IEU evaluation criteria and their relationship with the investment criteria of the GCF. Annex II illustrates a set of questions that may be employed to respond to the evaluation criteria.

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<sup>9</sup> OECD (1991). The DAC Principles for the Evaluation of Development Assistance.

**Table 2: Evaluation Criteria, Investment Criteria and Examples of Relevant Indicators.**

NO.	IEU EVALUATION CRITERIA	CORRESPONDING INVESTMENT CRITERIA	SOME RELEVANT INDICATORS IN THE GCF RESULTS FRAMEWORK
1.	Relevance, effectiveness, efficiency, impact and sustainability of projects and programmes	Impact potential, sustainable development potential, efficiency and effectiveness	<p>Mitigation: Shift to low-emission, sustainable development pathways</p> <p>Tons of GHGs avoided / reduced</p> <p>Cost per ton of CO2 equivalents reduced</p> <p>Volume of funds catalysed</p> <p>Adaptation: Increased climate resilient within sustainable development</p>
2.	Coherence in climate finance delivery with other multilateral entities	Paradigm shift potential (potential for knowledge sharing and learning; contribution to the creation of an enabling environment; contribution to a regulatory framework and policies)	Volume of public and private funds catalysed by the Fund (core indicator)
3.	Gender equity	Needs of the recipient (Vulnerable groups and gender aspects)	<p>Increased resilience and enhanced livelihoods of the most vulnerable people, communities and regions</p> <p>Increased gender-sensitive low-emission development mainstreamed into government</p>
4.	Country ownership of projects and programmes	Country ownership	Strengthened relevant government, institutional, regulatory and community, civil society and private sector systems for climate-responsive development planning
5.	Innovativeness in result areas (extent to which interventions may lead to a paradigm shift towards low-emission and climate resilient pathways)	Paradigm shift potential (Contribution to the creation of an enabling environment and innovativeness)	<p>Degree of novelty involved (e.g., incremental, radical, discontinuous, disruptive changes)</p> <p>Removal of barriers to implement the innovative idea</p> <p>Comparison with traditional ideas</p>
6.	Replication and scalability	Paradigm shift potential (Potential to expand the proposal's impact without equally increasing its cost base; potential to export key structural elements to other sectors, regions or countries.)	Extent to which activities can be scaled up in other locations within the country or replicated in other countries

## VII. Categories of Evaluations

20. The Policy recognizes two categories of evaluations. The first is **self-evaluations** (or reviews or assessments). These are evaluations commissioned and/or managed by the GCF Secretariat, and by the non-independent evaluation offices of the NDAs or AEs, the private sector, civil society or others, examining GCF activities, outputs, outcomes, impact or performance. The second is **independent evaluations**. These are evaluations (or reviews or assessments) that are conducted, commissioned or managed by the IEU, the Independent Units of the GCF or the independent evaluation offices of AEs. Two important independent evaluations will be the project mid-term (MTE) and final evaluations (FE).<sup>10</sup>

21. Independence of the GCF projects-level evaluations is ensured by the independent evaluation offices of AE. Independent evaluation offices of AE may assure this by conducting evaluations themselves, by contracting (an) independent evaluator(s) or by independently validating the self-evaluations of funded activities. If the AE does not have an independent evaluation office, the GCF IEU will provide guidance to this end.<sup>11</sup>

22. Table 3 presents the different category of evaluations to be conducted at the GCF and the roles of IEU, GCF Secretariat and AEs' operational and independent evaluation offices (more in Section VIII on roles and responsibilities). The Policy proposes evaluations at five levels: (1) at the overall Performance of the GCF (to take place at intervals linked to the GCF replenishment cycle), (2) at the strategies, countries and portfolios, (3) sectors and themes, (4) processes and (5) GCF projects levels. Under the Policy, the IEU will be responsible for conducting evaluations for several of these levels as presented in Table 3 and has the remit to validate, assess or review all self-evaluations (or a sample of them), to draw lessons on the validity of findings and lessons for the future with implications for standards of evaluations, quality of conclusions and processes for undertaking evaluations. The IEU has also the task to assure the quality of MTEs and FEs for consistency of application of guidelines and to extract lessons and findings. The AEs' independent evaluation offices will be responsible for conducting independent evaluations at the sector and theme and processes levels for GCF related issues within their institutions as well as for several evaluations at the GCF projects level. In addition, it is expected that these offices will provide information to the IEU on the evaluations that IEU will implement. Finally, the GCF Secretariat and AE operational units will commission or manage self-evaluations at all levels and will provide data to inform the evaluations conducted by the IEU. (See Annex IV for definitions of evaluations shown in Table 3.)

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<sup>10</sup> B.11/10. Decisions of the Board Eleventh meeting of the Board, 2-5 November 2015 (Agenda item 15: initial monitoring and accountability framework for accredited entities).

<sup>11</sup> MTEs and FEs are governed by AMA, the relevant Funding Proposal and FAA. Guidelines will be developed. IEU support will be determined on a case by case through a memorandum of understanding with the entity.

**Table 3: Categories of Evaluations and Roles for IEU, GCF Secretariat and AEs**

	CATEGORIES OF EVALUATION	INDEPENDENT EVALUATIONS		SELF EVALUATIONS
		Conducted by GCF IEU	Conducted by Independent Evaluation Units of the AEs	Conducted by GCF Secretariat and AEs' operational units
1.	Performance of the GCF	Responsible	provide information to IEU	Informs and provides monitoring data
2.	Strategy/Country/Portfolio/Projects	Responsible	provide information to IEU	Informs and provides monitoring data
3.	Sector/Theme	Responsible or quality assures	Responsible or provide information to IEU	Informs and provides monitoring data
4.	Process	Responsible or quality assures	Responsible or provide information to IEU	Commissions or manages, provides monitoring data
5.	GCF Projects and investments			
A	Pre-feasibility assessments	Quality assures	Quality assures	Responsible/ Commissions/ Manages
B	Real-time evaluations	Responsible or quality assures	Responsible or quality assures	Informs and provides monitoring data
C	Impact Assessments /Evaluations	Responsible or quality assures	Responsible or quality assures	Informs and provides monitoring data
D	Midterm (MTE)/ Final (FE) evaluations	Quality assures	Responsible and quality assures	Informs and provides monitoring data
E	Ex-post	Responsible or quality assures	Responsible or quality assures	Commissions/ Manages

## VIII. Institutional Arrangements, Roles and Responsibilities

23. The following roles are anticipated for GCF stakeholders.

**The GCF Board:** Approves the Policy and safeguards its effectiveness and implementation. It receives evaluations/assessments and reviews undertaken by the IEU and also receives management responses from the GCF Secretariat (explained in paragraph 26 below). The IEU provides evaluations to the Board to fulfil its role in providing strategic guidance. The Board actively takes into consideration findings and recommendations of evaluations and incorporates them into policies and advice provided to the GCF. It also reviews the reports on the implementation of recommendations and provides further guidance while underscoring the

need to ensure both the accountability and learning attributes of IEU evaluations. IEU evaluations also help inform work plans, budgets and action plans. With respect to the IEU, the Board has the responsibility of appointing and/or removing the Head of the IEU. The Board, through the Performance Oversight Committee (a committee of the Board)<sup>12</sup> annually assesses the performance of the Head and at the end of his/her term. The Board reviews and approves the IEU's rolling three-year work plan and budget and annual work plan and budget. It also receives quarterly updates from the Head of the IEU on progress of the IEU's work plan and expenditure. It is also proposed that the TORs of the IEU and of the Head of the IEU will be updated in accordance with this Policy once the Policy is approved by the Board. Updated TORs will be submitted for approval to the GCF Board.

24. **Evaluation working group:** It is proposed that an evaluation working group will be set up composed of Board members and non-Board members, who are leaders in the field of evaluation and climate change to discuss IEU evaluation products. The overall role of the evaluation working group will be to discuss the technical aspects of the evaluations and provide guidance to the IEU and the GCF Board on how findings, conclusions and recommendations of IEU evaluations could inform and be incorporated into the decisions of the Board.

25. **The UNFCCC/COP:** As per the current TOR of the IEU and the Governing Instrument of the GCF, the UNFCCC/COP may commission an independent assessment of the overall performance of the Fund and the IEU would support the work involved in such assessment. As per the current TORs of the IEU, the IEU should submit all of its independent reviews to the COP to inform the periodic reviews of the GCF, including an overall performance study of the Fund. Accordingly, the COP may also suggest additional areas for evaluation which may enter the IEU's work plan and would be approved by the GCF Board.

26. **The GCF Secretariat:** The Secretariat is responsible for building a corporate culture that fosters learning and incorporates evaluation findings and recommendations into its decision-making, management and practice. It is expected to take the IEU's findings and recommendations from its evaluations and inform its operations and strategies. The Secretariat is expected to ensure that adequate human and financial resources are allocated for implementing the Policy and undertaking monitoring, within the Secretariat, as well as in GCF investments, through the AMAs and accreditation mechanisms. Furthermore, the Secretariat ensures that FAAs have adequate resources devoted for undertaking evaluations (see below). The Secretariat could manage, commission and support self-evaluations of programs, strategies, processes and policies and selected GCF investments (in agreement with the AEs) in accordance with the Secretariat's Board-approved work plan. These self-evaluations will be provided to the IEU in a timely manner. The Secretariat will also receive evaluations undertaken by the IEU and prepare management responses and action plans for Board review. The Secretariat's various divisions and units are also expected to provide guidance for monitoring data that in turn helps to inform implementation fidelity and undertake reports on portfolio. The Secretariat is expected to inform the performance measurement framework of GCF investments and Funded Projects. The Secretariat is also expected to ensure that data and information systems are set up to adequately inform evaluations, so they can be undertaken with the greatest amount of rigor. These data and information systems should be inter-operable and reflect up-to-date practices.

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<sup>12</sup> GCF B21/13. Decisions of the Board at the twenty-first meeting of the Board.

27. **NDA, AEs (operational units and independent evaluation offices), civil society organizations and the private sector, iTAP and the wider evaluation community.** These critical GCF partners should collaborate in the conduct of all evaluations by providing access to projects, data and individuals relevant to the evaluations' TORs. They will receive all independent evaluations conducted by IEU, according to the disclosure guidance (see Section XI). They should ensure that lessons from evaluative evidence are used to improve the quality of subsequent operations and that these lessons are disseminated among their networks. AEs should demonstrate during the accreditation application process (and thereafter) that they have the capacity and systems to implement the Policy, as well as ensure timely and credible monitoring of project implementation is undertaken conducted for every GCF project and investment. AEs are also responsible of ensuring that funding for MTEs, FEs, real time, impact assessments and ex-post evaluations is available in the project budgets (see below) and that part of the AE fee is allocated for the supervision of these evaluations. The AE independent evaluation offices are responsible for conducting MTEs and FEs or contracting independent evaluation consultants to conduct these evaluations or validating the self-evaluations conducted by project teams. The cost of these evaluations is covered by the project budgets. The independent Technical Advisory Panel (iTAP) should review and consider the evaluative evidence and lessons in their independent technical project reviews. The IEU should coordinate and collaborate as relevant with the evaluation community working on climate change.

## IX. The Role of the IEU

28. The IEU was established by the Board and its terms of reference were approved at the sixth meeting of the GCF Board to:

- (a) inform the decision-making by the Board and provide strategic guidance through the identification and dissemination of lessons learned and contribute to guiding the GCF and stakeholders as a learning institution;
- (b) conduct periodic independent evaluations of GCF performance to objectively assess the results of the GCF and the effectiveness and efficiency of its activities; and
- (c) provide evaluation reports to the UNFCCC, Conference of Parties and the Paris Agreement for purposes of periodic reviews of the Financial Mechanism.

29. **The IEU is the custodian of the Policy.** It will be responsible for the terms of the Policy's form, guidance and implementation. The IEU develops the Policy and recommends updates to the Board, as required. The IEU provides standards and guidelines to implement the Policy that ensure the Fund is able to inform its overall results and successes and unintended consequences in a credible and measurable manner.

30. **Head of the IEU.** To ensure independence of the Unit, its Head is selected by the Board, for a six-year term, and her/his performance is assessed annually (as well as determines performance-based increment increases in payment) by the Performance Oversight Committee of the Board. She/he reports and communicates directly to the Board and its co-chairs.

31. **Work plan:** The IEU will have an annual and three-year rolling work plan. The IEU will undertake, on average, three to five evaluations every year as determined in the IEU work plan



and approved by the Board. These evaluations will be sent to the Board by the Head of the Unit for discussion. The work plan will be established in consultation with GCF stakeholders.

32. **Project evaluations:** There are several types as presented in Table 3: real time, impact assessments, MTEs, FEs and ex-post evaluations. The number and quality of these evaluations will be assessed by the IEU and annually reported to the Board along with a synthesis of their lessons and performance.

33. Each year, a sample of at least five or six projects, representing different approaches and sectors will incorporate an impact assessment or impact evaluation plan in its design and implementation and will receive support from the IEU.

34. **Reporting:** The Board will receive an annual report prepared by the IEU that includes among other items, the monitoring of the implementation of the action plans developed by the GCF Secretariat and other relevant stakeholders to implement the Board decisions on IEU evaluations, syntheses of evidence and highlights from evaluations conducted during the year and an assessment of quality of evaluations of GCF projects, particularly MTEs and FEs.

35. **The IEU will submit a rolling three-year work plan and three-year budget envelope to the Board for approval.** This is in keeping with international best practices and will also allow the IEU to plan multi-year evaluations. It is proposed that *within* the overall budget envelope, the IEU's **annual work plan** be approved by the Board before the beginning of every calendar year, in keeping with best practice.

36. **Syntheses of evidence:** In addition to fostering learning and knowledge-sharing on evaluation methods relevant to the climate change arena, and in keeping with its TORs, the IEU will prepare syntheses of lessons and experiences from relevant credible and independent evaluations, reviews, assessments and evidence on strategically selected themes conducted by the IEU and AEss. The IEU will also share these syntheses in a timely manner, using a variety of means and media tailored to targeted audiences.

37. **Capacity building, strengthening and leadership:** The IEU will assume, as established in its TORs, a leadership role in the evaluation community regarding climate change and actively participate in relevant evaluation networks. Furthermore, the Unit will work in establishing and leading a community of practice of evaluators working in the climate change space.

38. With regard to the evaluation capacity of the GCF Secretariat, NDAs and AEs, the IEU will manage a capacity development program to provide them with methods, tools and evidence to improve their self and independent evaluation activities. This knowledge should be used when developing and defining key evaluation questions and TORs for evaluations, and for managing and supervising evaluation activities. Furthermore, the IEU will provide overall guidance and advisory support to these institutions as requested.

39. **Quality assurance.** The IEU assesses the quality of self and independent evaluations prepared by the AEs against GCF guidelines. Additional to providing quality assurance on MTEs and FEs, the IEU will assess other evaluations coming from AEs to ensure compliance with GCF guidelines. The IEU will create an advisory panel for each of the IEU evaluations to provide guidance and feedback on these evaluations' key documents, such as an approach paper, methodology and drafts. Additionally, the IEU may also seek advice from a set of technical advisers to help the IEU to stay ahead of theory and practice in evaluation.

## X. Institutional Requirements for a Robust Evaluation Function

40. Good evaluations promote learning and accountability simultaneously. They require sufficient and foreseeable budgets so that data systems and information systems are able to inform questions that define evaluation in this Policy – what works, for whom, when, why and how much. In keeping with best practices in the field, the following institutional commitments are proposed:

- (a) All GCF projects and investments, Board-approved policies and GCF strategies may be evaluated following the Policy’s standards and procedures. These standards and procedures will be developed by the IEU.
- (b) The IEU’s budget should be linked to the size of the GCF programming envelope, as it entails the volume of operations that the IEU will evaluate in the future. The overall annual budget for the IEU will never exceed 1% of the approved annual investment budget of the GCF.
- (c) GCF FAAs should include a **budget line for evaluations**, in addition to the regular budget for monitoring of project performance and implementation, that is separate from the “overhead” line and the AE fee. This budget should cover the costs of project level evaluations such as MTEs, FEs, real time, impact assessments and ex-post. Given that the evaluation needs will vary depending on the type and objective of the projects, their budget should be determined in consultation with the IEU, the GCF Secretariat, AEs and project team. This is also consistent with the capacity building function of the IEU. The FAA evaluation budget lines should range from 3-5% of the project budget and will go a long way towards promoting evaluations and measurement capacity. Following learning from quality of entry assessments undertaken by the IEU, the evaluation budget lines should support baseline and endline data collection as well as robust impact assessments.
- (d) Approximately 30% of the Fund’s portfolio will include impact assessments as part of its evaluation plan. These impact assessments will be used to inform GCF’s portfolio and strategic choices. Their standards will be set by the IEU and informed by the IEU’s advisory and technical assistance functions.
- (e) The AE independent evaluation offices will be responsible for MTES/FEs to ensure their independence. These offices will conduct these evaluations directly, will contract independent consultants or will validate the project self-evaluations produced by the project teams. The cost of MTEs and FEs will be covered by the FAA evaluation budget line in the project budget (see above 40(c)). AE fees will cover the supervision of all evaluations at the project level.
- (f) The GCF Secretariat’s monitoring function should be similarly well supported. Budgets for the monitoring, performance and portfolio management systems should support high-quality capacity in the Secretariat to undertake this task, as well as good web-based data systems and high-quality and technically well-informed indicators. The Secretariat will have full control and authority over these indicators and is supported by robust budgets determined internally within the Secretariat and advised by the IEU if requested.
- (g) All evaluations (or reviews or assessments) presented by the IEU will have an official management response from the GCF Secretariat (prepared in consultation with relevant GCF stakeholders). This response may be presented together with the evaluation (or review or

assessment) or it may be presented to the Board at the next board meeting. All evaluations (or reviews or assessments) will have an action plan to respond to the recommendations and the Board decision on the IEU report within a year of the report being presented to the Board, unless otherwise noted.

## XI. Disclosure of Evidence, Access and Quality of Information

41. **Disclosure of evidence:** The Policy establishes the following principles and actions regarding disclosure of evaluation (reviews or assessments) and data.

- (a) All evaluations prepared by the IEU will be made public through the IEU website.
- (b) Management responses and action plans dealing with recommendations will also be publicly disclosed and included with the evaluation report, as soon as they become available.
- (c) The responsibility for disclosure of IEU products will rest with the Head of the IEU, while considering advice from management of the relevant entity and subject to the provisions of the Information Disclosure Policy of the GCF.<sup>13</sup>
- (d) Information collected by the IEU in fulfilling its work plan will be confidential. The Head of the IEU will be responsible for ensuring how and to whom this is disclosed.
- (e) All independent evaluations, reviews and assessments of GCF projects will be publicly available. Those produced by AEs will be disclosed according to AEs disclosure policies.
- (f) Independent evaluation offices of the AEs will share their evaluations and data on GCF projects and other initiatives that GCF projects may have leveraged, with the IEU and with all parties directly and indirectly involved in the project or program evaluated. The IEU will produce a synthesis for presentation to the GCF Board based on these evaluations (or reviews or assessments).

42. **Access to information:** Good evaluations require and rely on timely access to information. Certain conditions are required to ensure this:

- (a) Information must be made available in a timely manner to the IEU.
- (b) All progress, evaluation reports and reviews of individual GCF projects and the reports and reviews prepared or commissioned by the GCF Secretariat (including internal audit reports) will be made available to the IEU in a timely manner.
- (c) All information from any of the above sources as well as on the implementation of the GCF policies should be available, well-organized and well-stored.
- (d) Information requests from the IEU on financial records should be made available within a week of requesting them unless exigent circumstances demand otherwise. This will be the responsibility of the GCF Secretariat.
- (e) The AEs operational units will provide access to information to independent evaluators assessing GCF projects and investments. They will provide support to evaluators during evaluations in order to capture views and concerns of multiple partners, triangulate information

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<sup>13</sup> GCF Information Disclosure Policy (GCF/B.12/35).

and undertake primary data collection, particular during visits to the projects (mutually agreed in advance).

(f) In many cases, in particular for some private sector activities, access to clients and projects by an evaluator could prejudice the client's financial interests or materially increase the risk of litigation. An evaluation will safeguard this requirement. The number of such cases should be reported to the GCF Board through the IEU's regular reporting channels.

43. **Quality of data and information:** High-quality data and information available for evaluations is crucial. The GCF Secretariat, NDAs, AEs and project teams are required to provide information on GCF projects in an open and timely manner to the IEU and other independent evaluators conducting GCF-related evaluations. The IEU will be responsible for ensuring and protecting the confidentiality and anonymity of information when required. In particular, this protection will be carefully considered when publishing an IEU document.

44. All GCF projects should plan adequately for undertaking and producing useful and relevant data and evaluations and information on investment effectiveness, efficiency, impact, sustainability, country ownership and needs and potential for paradigm shift potential.

## **XII. Implementation of the Policy**

45. The IEU will develop guidelines and standards to support the implementation of the Policy. The IEU will draw, as appropriate, on established international standards and best practices, while taking due account of the specific circumstances and nature of the GCF.

46. The Policy will be assessed when a new Head of the IEU is appointed, or five years after its initial approval, to provide the flexibility required through the early stages of the Fund's implementation given its dynamic nature and to support new relevant guidance from the UNFCCC and COP. The review will be presented to the Board. Subsequent revisions of the Policy will be done at intervals to be determined through this first revision process.

## **XIII. Integrity and Risk**

47. The GCF Board adopted the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework as the internal control framework for the Fund and appointed the IEU in the third line of responsibility of the framework (together with the Office of the Internal Audit (OIA) and Independent Integrity Unit (IIU)).<sup>14</sup> Together, they shall provide, according to their own functions, reliable and objective assurance to the Board and GCF senior management with respect to governance, risk, and control. In addition, the IEU may, upon request, provide to the Board and GCF Secretariat, assessments and evaluation reports of the effectiveness and efficiency of risks identified, assessed and mitigated.

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<sup>14</sup> Decision B.BM-2015/06. Additionally the Compliance Risk Policy which will be submitted to the Board at B.22.

## **XIV. Uptake of Evaluative Evidence and Learning**

48. There are several ways an uptake of evaluation evidence may be encouraged. Responsibilities are discussed as follows:

- (a) The GCF Board will foster a culture of learning by requiring that all evaluations presented to the body have a management response, and all evaluations, reviews and assessments of the IEU are responded by an action plan. Action plans should emphasize how lessons and findings will be considered in future operations or activities in response to the evaluation.
- (b) The Board will receive an annual report on the monitoring of the implementation of the action plans prepared by the IEU.
- (c) The Board will integrate and incorporate lessons in their decision-making processes.
- (d) The GCF will promote sharing evaluative evidence across the partnership through different modes of dissemination and communication.
- (e) In addition to fostering learning and knowledge-sharing on evaluation findings, lessons and methods relevant to the climate change arena, the IEU will prepare syntheses of lessons from relevant credible and independent evaluations on strategically selected themes and will share them, in a timely manner, using a variety of means and media tailored to the audiences.
- (f) The IEU will employ state-of-the-art methodologies to ensure an evaluation culture is built within the GCF that is conducive to learning and mainstreaming evaluation. Evaluation-for-evidence requires changes in behaviour and thinking, and the IEU should acknowledge the use of systematic reviews, critical appraisals and behavioural science to ensure uptake and learning.

## ANNEX I. KEY ELEMENTS OF EVALUATION POLICIES IN OTHER AGENCIES

Although the IEU reviewed 15 organizations, the following 6 were selected to represent different types of organizations comparable to the GCF in different ways, from UN agencies, UNFCCC financial mechanisms and multilateral banks and funds that focused on private and public sector investments and grants.

### *Key Elements of Evaluation Policies*

COMPARISON ELEMENT	SELECTED INTERNATIONAL ORGANIZATIONS					
	UNDP	WFP	GEF	IFAD	EBRD	WBG
<b>Objectives</b>	Learning; Accountability; National capacity-building	Learning; Accountability	Learning; Accountability	Learning; Accountability	Reinforce accountability; Inform operational choices; Improve performance over time	Evaluation framework currently under preparation
<b>Principles for evaluations</b>	UNEG Ethical Guidelines for Evaluation; Independence, impartial and credible evaluations; Rule-bound planning and implementation of evaluations; High technical competence and rigor; Transparency of the process and	Independence; Credibility; Utility	Independence; Credibility; Utility; Impartiality; Transparency; Disclosure; Ethics; Participation; Competencies and capacities	Independence; Accountability; Partnership; Learning	Evidence-based; Independent (assessment and implementation); Assessment of accomplishments relative to objectives; Utility (timely, applicable, embedded in operational processes); Learning; Complementarity between self- and	

COMPARISON ELEMENT	SELECTED INTERNATIONAL ORGANIZATIONS					
	UNDP	WFP	GEF	IFAD	EBRD	WBG
	full engagement with stakeholders				independent evaluations	
<b>Alignment of definitions with international frameworks</b>	Aligned with UNEG Norms and Standards	Aligned with UNEG Norms and Standards	Member of the UNEG and participates in the ECG	Not specified	Aligned with the ECG and its Good Practice Standards	

*How Evaluations are Treated in the Policies*

COMPARISON ELEMENT	SELECTED INTERNATIONAL ORGANIZATIONS					
	UNDP	WFP	GEF	IFAD	EBRD	WBG
<b>Categories of evaluations</b>	IEO Evaluations; Decentralized evaluations (by program units)	Centralized evaluations (strategic or global); Decentralized evaluations (operations, activities)	Project evaluations; Program evaluations; Country-level evaluations; Impact evaluations; Cross-cutting and thematic evaluations;	Corporate level: corporate policies, strategies, business processes; Country level; Project level	Thematic evaluations; Self-evaluations (operational performance assessments (OPAs); Review of OPAs by operational teams (OPARs);	Meso evaluations; Country and project-level evaluations; Other evaluation products

COMPARISON ELEMENT	SELECTED INTERNATIONAL ORGANIZATIONS					
	UNDP	WFP	GEF	IFAD	EBRD	WBG
			Process and performance evaluations; Ad hoc reviews; Overall Performance Studies (OPS)		Validation of self-evaluations (OPAV); Operations evaluations (OEs)	
<b>Types or levels of evaluations</b>	Broad thematic evaluations; Programmatic evaluations; and country-level evaluations (by the IEO); Decentralized evaluations (by program units)	Policy evaluations; Strategic evaluations; Country or regional evaluations; Operation evaluations; Impact evaluations; Evaluations of corporate emergency responses; Joint evaluations	<i>Agency GEF coordination units:</i> Terminal evaluations; <i>Agency evaluation units:</i> Corporate evaluations, Independent project and program evaluations; <i>GEF IEO:</i> Project and program evaluations; <i>GEF Council:</i> Annual Evaluation Reports; OPS	Corporate level evaluations; Country programme evaluations; Project evaluations (validations)	Country-level evaluations; Sector strategy evaluations; Strategic priority/initiative evaluations; Corporate evaluations; OEs: Individual or cluster of projects	<i>Major evaluations:</i> corporate, thematic and sectoral; <i>Country and project-level:</i> Country-focused evaluations, Project Performance Assessment Report (PPARs), country learning strategy reviews, Implementation Completion and Results Report



COMPARISON ELEMENT	SELECTED INTERNATIONAL ORGANIZATIONS					
	UNDP	WFP	GEF	IFAD	EBRD	WBG
						Reviews (ICRRs); <i>Other:</i> Results and performance of WBG; Evaluation Capacity Development; Working papers, IEG Annual Reports
<b>Number of evaluations conducted</b>	In 2017: 315 decentralized evaluations; 1 Strategic Plan evaluation; 8 country evaluations	In 2017: 29 centralized evaluations	By December 2017, 1372 project evaluations in total; 88 projects in the April 2017 cohort	2007-2015: 157 projects; 2006-2016: 40 countries & strategies evaluations; 2000-2016: 295 projects (overall)	In 2016: 8 thematic evaluations/special studies, 3 operation evaluations, 3 corporate reports, 129 OPAs, and 67 OPAV	In FY 2018: 8 major evaluations; 3 meso evaluations; 2 country-focused evaluations; 43 PPARs; 427 project validations
<b>Coverage standards or objectives</b>	Objective of 100% coverage for country evaluations;	Evaluation of policies: 4-6 years after implementation starts;	100% of projects undergo final evaluation. Mid-term evaluation	Determined in work plan	Determined in work plan, depending on timing and usefulness	Determined in work plan

COMPARISON ELEMENT	SELECTED INTERNATIONAL ORGANIZATIONS					
	UNDP	WFP	GEF	IFAD	EBRD	WBG
	Project-level final evaluations not systematic	Country portfolio: every 5 years for 10 largest country offices; every 10-12 years for all other country offices;  Decentralized: at least 50% of each country office's portfolio within a 3-year period	depends on project size;  Coverage is aligned with replenishment periods and defined based on transparent criteria;  Coordination with GEF Agencies to optimize coverage			
<b>Budgeting for project-level evaluations</b>	Project template includes optional evaluation plan and the budget is to be included in the project cost;  No guidelines on the amount	Project-level evaluations need to be reflected on a specific budget line in the project budget;  No guidelines on the amount	The project template requires an M&E plan and related budget, a Results Framework, and Midterm and final evaluations;  No guidelines on the amount	Project template requires planning and budgeting for project evaluations;  No guidelines on the amount	The EvD budget covers only evaluations conducted by the EvD. This includes a selected number of project-level evaluations (selected purposefully);  Self-evaluations are covered at project-level and	At the IFC, USD 8,000 budgeted for investments and USD 9,400 for advisory services, totaling approx. USD 14 million yearly (2.5% of the IFC administrative budget);  Project-level self-evaluations

COMPARISON ELEMENT	SELECTED INTERNATIONAL ORGANIZATIONS					
	UNDP	WFP	GEF	IFAD	EBRD	WBG
					OPARs at operational level	are under the project budget
<b>Role of evaluation offices in evaluations at the project level</b>	460 project decentralized evaluations for 2018 (211 UNDP, 139 GEF, 72 outcome, 38 UNDAF projects) for \$31 million (average \$15,500)	4 centralized impact evaluations in 2017 (Chad, Mali, Niger, Sudan) focused on WFP programs on nutrition in the humanitarian context in the Sahel	The GEF IEO does not conduct independent evaluations at the project level. They rely on the GEF agencies conducting this level of evaluations. On the other hand, the GEF IEO may evaluate individual operations within the context of thematic or country evaluations. These project level evaluations are usually not public but internal working documents.	For 2018: 8 project performance evaluations (PPEs) on selected projects (\$320,000 for 8). The objectives of PPEs are: assess the results of the project under consideration; generate findings and recommendations for the design and implementation of ongoing and future operations in the country in question, and identify issues of corporate, operational or strategic interest that merit further	A limited number of detailed project evaluations will be produced based on an expectation of high value and generally covering multiple related transactions. The EvD has sharply reduced the number of these evaluations (and increased thematic or evaluations of groups). In 2017, the EvD will, with Management, purposefully identify projects from the pool for which full-scale OEs are completed. There is no budget allocation in their annual budget	Project Performance Assessment Report (PPAR). Ex-post assessment about 4-5 years after completion. The IEG selects about 20-25% of completed projects, preference is given to those that are innovative, large, or complex, relevant to upcoming studies or country evaluations; those for which the Board or

COMPARISON ELEMENT	SELECTED INTERNATIONAL ORGANIZATIONS					
	UNDP	WFP	GEF	IFAD	EBRD	WBG
				evaluation work. Project Impact Evaluations: max of 2 (\$200,000 for both)	(budget is allocated by staff / non-staff costs, not by activities or tasks).	management requested assessment or expected to generate lessons. Budget at around \$2.7 million a year. The cost should be around \$30K per project give or take: about 30 days of a consultant's field work plus travel.

*Processes Governing the Evaluations*

COMPARISON ELEMENT	SELECTED INTERNATIONAL ORGANIZATIONS					
	UNDP	WFP	GEF	IFAD	EBRD	WBG
<b>Role of the IEU in non-IEU evaluations</b>	Oversight and support to decentralized evaluations	Oversight and reporting on decentralized evaluation functions;  Designing systems that support	Ensure projects meet M&E requirements before they are approved	Review of self-evaluations	Validation of self-evaluations (OPAV)	Validation of project self-evaluations

<b>COMPARISON ELEMENT</b>	<b>SELECTED INTERNATIONAL ORGANIZATIONS</b>					
	<b>UNDP</b>	<b>WFP</b>	<b>GEF</b>	<b>IFAD</b>	<b>EBRD</b>	<b>WBG</b>
		adherence to Decentralized Quality Assurance Systems (DEQAS).				
<b>Approval of evaluation reports</b>	By the IEO	Director of the OEV approves centralized evaluation reports	Director of the IEO	By the IOE. Sharing of drafts with partners, but final decision rests on the IOE Director on what to incorporate	Chief of the EvD is responsible of approving all evaluation reports produced by the EvD	By the IEG Director General
<b>Presentation of evaluation reports to the Board</b>	By the IEO directly	By the Director of OEV, without prior clearance from the Executive Director or WFP Management	Director of the IEO presents the evaluation to the GEF Council	By the IOE. Simultaneous submission to the Board and to the President of IFAD	Not specified	Evaluations are presented through a Board subcommittee, Committee of Development Effectiveness (CODE)
<b>Presentation of management responses and action plans</b>	Management prepares management responses with specific, time-bound actions to all independent	The Executive Director ensures substantive management responses are provided. Board considers	Management responses are prepared by the GEF Secretariat with relevant agency stakeholders for	Each corporate level or country program evaluation will come with an Agreement at Completion Point	Management responses are provided for each evaluation, attached or not to the final report.	Management responses are presented to CODE at the same time as the evaluation. Action Plan is based on

COMPARISON ELEMENT	SELECTED INTERNATIONAL ORGANIZATIONS					
	UNDP	WFP	GEF	IFAD	EBRD	WBG
	and decentralized evaluations. Board approves management responses for independent thematic, global and regional program evaluations.	management responses from centralized evaluations.  The Executive Director provides management responses to Annual Evaluation Reports.  For decentralized evaluations: Management provides management responses. Regional Directors ensure they are prepared.	GEF Council consideration. The GEF CEO coordinates their preparation, and the GEF IEO submits them.	that summarizes evaluation findings and recommendations that IFAD and the concerned government agree to adopt.  IFAD management submits its response to the ARRI to the Evaluation Committee and to the Board at the same time.		the CODE decision and prepared by management (validated by the IEG) and presented to the Board, for information. The IEG monitors the implementation of the action plans in the Management Action Record (MAR).
<b>Integration of management responses and action plans</b>	The UNDP reports annually on management responses and actions taken.	The Executive Director monitors their implementation	The GEF Council provides guidance for appropriate action.	Monitoring from the Board	Management tracks actions taken on agreed recommendations	The MAR is a publicly-available tool that tracks the adoption of IEG

COMPARISON ELEMENT	SELECTED INTERNATIONAL ORGANIZATIONS					
	UNDP	WFP	GEF	IFAD	EBRD	WBG
<b>in decision-making</b>	<p>The IEO reports annually to the Board on the implementation of management responses through its annual report.</p> <p>The Bureau for Policy and Programme Support provides guidance and monitoring of these implementations.</p>	<p>through annual reports.</p> <p>The Regional Director ensures follow-ups related to decentralized evaluations actions are undertaken.</p>	<p>GEF agencies ensure evaluations are submitted for decision within the agencies.</p>		<p>and reports to the Board.</p>	<p>recommendations by the WBG.</p>
<b>Quality Assurance</b>	<p>The IEO manages a quality assessment system for decentralized evaluations.</p>	<p>There are two systems: Evaluation Quality Assurance System (EQAS) at a centralized level and Evaluation Quality Assurance System at a</p>		<p>QA ensured by the Director of IEO</p>	<p>No specific information</p>	<p>Review of intermediate and final evaluation products internally (IEG staff) and/or by peers</p>

COMPARISON ELEMENT	SELECTED INTERNATIONAL ORGANIZATIONS					
	UNDP	WFP	GEF	IFAD	EBRD	WBG
		decentralized level (DEQAS)				
<b>Dissemination and disclosure</b>	The IEO Director has the final say on the content and release of evaluations carried out by IEO. Decentralized evaluations are published on the IEO website.	All evaluations and management responses are publicly available.	Findings and lessons are made available to targeted audiences through a dynamic dissemination strategy.	Full public disclosure, with optional publication of a press release	Internal disclosure of evaluation reports, consistent with confidentiality safeguards. External disclosure based on the provisions of Public Information Policy.	Online disclosure of reports and dissemination in learning and outreach events

*Independent Evaluation Offices (IEOs)*

COMPARISON ELEMENT	SELECTED INTERNATIONAL ORGANIZATIONS					
	UNDP	WFP	GEF	IFAD	EBRD	WBG
<b>Existence of an IEO</b>	Yes, Independent Evaluation Office (IEO)	Yes, Office of Evaluation (OEV)	Yes, GEF Independent Evaluation Office (IEO)	Yes, Independent Evaluation Office (IOE)	Yes, Evaluation Department (EvD)	Yes, Independent Evaluation Group (IEG)



COMPARISON ELEMENT	SELECTED INTERNATIONAL ORGANIZATIONS					
	UNDP	WFP	GEF	IFAD	EBRD	WBG
<p><b>Processes to ensure independence of human resources, processes and budget allocation</b></p>	<p>The IEO manages its own procurement, finances and operations.</p> <p>Adequate resource allocation the responsibility of the UNDP Administrator. The Board approves the budget.</p>	<p>The Director of Evaluation has “full delegated authority” over all human and financial resources of the OEV. The WFP’s Executive Director is responsible for ensuring sufficient resource allocation to the OEV.</p>	<p>The Director of IEO is responsible for managing financial and human resources for the IEO.</p>	<p>The IOE selects evaluators and consultants and manages human resources.</p> <p>While the Board reviews the budget, the Governing Council is the one to approve it.</p>	<p>The Chief Evaluator manages EvD’s financial and human resources, in consultation with relevant departments. The EvD’s budget is prepared by the EvD and presented separately from Bank’s budget to the Board (but simultaneously).</p>	<p>The IEG DG is fully responsible for the management of the IEG. The IEG follows World Bank Group procedures.</p>
<p><b>Work plan preparation and approval</b></p>	<p>The IEO decides on its work program.</p>	<p>Work program depends on coverage norms established in the Evaluation Policy. For centralized evaluations, the OEV Director consults with WFP Senior Management.</p>	<p>A 4-year rolling work plan is formulated by the Director of Evaluation and is approved by the Council.</p>	<p>The IOE prepares an annual work program based on a critical mass of evaluations required to fulfill the evaluation function. The Executive Board and the Evaluation Committee comment on the draft version. Final</p>	<p>Programming made in consultation with management. Final approval by the Board.</p>	<p>The IEG, through extensive consultations on a range of criteria.</p>

COMPARISON ELEMENT	SELECTED INTERNATIONAL ORGANIZATIONS					
	UNDP	WFP	GEF	IFAD	EBRD	WBG
				approval by the Executive Board.		
<b>Budget preparation and approval</b>	Biennial budget approved by the Board as part of the UNDP integrated budget	Annual budget approved by the Board as part of the WFP's Management Plan	Annual budgetary request submitted to the Council for approval	Budget prepared and approved with the work program, independently of IFAD's administrative budget, based on same principles or parameters	Budget prepared by the EvD and approved by the Board	The IEG prepares a budget for Board approval
<b>IEU Budget</b>	In 2017, USD 9.03 million; IEO budget should not be less than 0.2% of combined programmatic (core and non-core) resources. In total, the budget for the evaluation function should reach 1%.	USD 8.3 million in 2018, and 12.1 million in 2019; The WFP has the target of allocating 0.8% of its total contribution income to the evaluation function.	USD 4.897 million in FY 2018; It corresponds to 22% of the overall annual operational budget or 0.5% of the GEF's annual financial work plan (excludes monitoring).	USD 5.91 million for 2018; It corresponds to 0.6% of program loans and grants (PoLG), and it is capped at 0.9%.	In 2017, GBP 2.5 million	Budget of USD 38.09 million for FY 2019; Determined on the basis of the work plan, at about 1% or below the Net Administrative BB Budget for all three institutions (WB, IFC, and MIGA).
<b>Reporting of the IEU</b>	Annual report to the Board	Annual report on centralized evaluations;	Annual Report to the GEF Council	Submission of the <i>Annual Report on Results and Impact</i>	Annual report to the Board on performance of the	The IEG reports directly to the Board of

COMPARISON ELEMENT	SELECTED INTERNATIONAL ORGANIZATIONS					
	UNDP	WFP	GEF	IFAD	EBRD	WBG
		Board's responsibilities include oversight but not approval		<i>of IFAD Operations (ARRI) to the Board</i>	evaluation system and on its results and findings; Regular reporting on activities, findings and challenges	Executive Directors.  Several annual reports
<b>Appointment and tenure of the head of the IEU</b>	5-year term, non-renewable, barring re-entry to the UNDP	6-year term, non-renewable, barring re-entry to the WFP	5-year term, renewable once	6-year term, non-renewable	4-year term, renewable (ordinarily, only once); ineligible for employment in the EBRD, unless otherwise decided by the Board	6-year term, non-renewable; ineligible for subsequent employment in the WBG.

## ANNEX II. EVALUATION CRITERIA AND EXAMPLES OF QUESTIONS

CRITERIA	ASSESSMENT OF OVERALL ACHIEVEMENTS AND LESSONS ON:	PARTICULAR TO MITIGATION	PARTICULAR TO ADAPTATION
<b>Relevance, effectiveness, efficiency, impact and sustainability of projects and programs</b>	<p>How and how much has the intervention contributed (or not) to the GCF's objectives and result areas? How has the intervention addressed social and economic development, financial and institutional capacity needs (including alternative sources of financing) of beneficiaries and the country as a whole?</p> <p>The economic and - if appropriate - financial soundness of investments, cost-effectiveness and private sector mobilization. Coherence in climate finance delivery with other multilateral entities.</p> <p>Intervention's wider environmental, social, and economic benefits and contributions to gender-sensitive development. Co-benefits and global environmental co-benefits would be included either within relevance and/or effectiveness, depending on the definition of the objectives of the Fund's activities that will be evaluated.</p>	<p>What is the contribution to the shift to low-emission, sustainable development pathways? Were institutions strengthened? Cost per tCO<sub>2</sub> eq.; co-financing and catalytic effect</p>	<p>What is the contribution to increased climate-resilient sustainable development? Were institutions strengthened? Were changes in vulnerabilities achieved for targeted beneficiaries, and in particular, for vulnerable groups?</p>
<b>Coherence in climate finance delivery with other multilateral entities</b>	<p>Was there coherence in climate finance delivery with other multilateral entities? What was the catalytic effect beyond one-off interventions; barrier removal (or not) in engaging the private sector; whether and how the intervention brought significant and systematic changes towards low-carbon climate resilient development pathways; knowledge creation; changes in the enabling environment including regulatory frameworks, systems and policies; sustainability of outcomes and results beyond completion of intervention?</p>	<p>Depth of results, scaling up, replication potential and leveraging of the intervention towards contributing to global low-carbon development pathways consistent with a temperature increase of less than 2°C; Relevance to the country's energy program</p>	<p>Depth of results, scaling up and replication potential and contribution to climate-resilient development pathways consistent with the country's climate change adaptation strategies and plans (as indicated in the INDCs); What was the co-financing and catalytic effect of the investment?</p>
<b>Country ownership</b>	<p>What is the country ownership of the investment? What is the coherence with climate change strategy and other relevant existing policies? Was capacity appropriate to implement interventions? How is investment aligned with the country's policies, climate strategies and institutions? How was civil society consulted?</p>		

<b>Gender equity</b>	Extent to which gender equity measures ensure that men and women equally benefit from GCF funding.	Extent to which gender equity measures ensure that men and women equally benefit from GCF funding targeting mitigation.	Extent to which gender equity measures contribute to reducing the gender gap of climate change-induced vulnerabilities and to increase both women and men's resilience.
<b>Innovativeness</b>	Extent to which interventions may lead to a paradigm shift towards low-emission and climate resilient development pathways.		
<b>Replication, Scalability</b>	Extent to which activities can be scaled up in other locations within the country or replicated in other countries.		

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## ANNEX III. ABBREVIATIONS

ACRONYM	DEFINITION
AE	Accredited Entity
AMA	Accreditation Master Agreement
APR	Annual Project Report
CO2	Carbon Dioxide
COP	Conference of the Parties to the United Nations Framework Convention on Climate Change
COSO	Committee of Sponsoring Organizations of the Treadway Commission
CSO	Civil Society Organization
ECG	Evaluation Consultative Group
FAA	Funded Activity Agreement
FE	Final Evaluation
GCF	Green Climate Fund
GHG	Greenhouse gases
IEO	Independent Evaluation Offices
IEU	Independent Evaluation Unit
IIU	Independent Integrity Unit
IRM	Independent Redress Mechanism
iTAP	Independent Technical Advisory Panel
M&E	Monitoring and Evaluation
MAF	Monitoring and Accountability Framework
MTE	Midterm Evaluation (the MAF refers to this type of evaluations as “interim evaluations”)
NDA	National Designated Authority
OECD/DAC	Organization for Economic Co-operation and Development/Development Assistance Committee
PMF	Performance Measurement Framework
RMF	Results Measurement Framework
TOR	Terms of Reference
UNEG	United Nations Evaluation Group
UNFCCC	United Nations Framework Convention on Climate Change

## ANNEX IV. GLOSSARY OF TERMS and types of evaluations

TERM	DEFINITION WITHIN THE GCF CONTEXT (*)
Accountability	Acceptance of responsibility by the GCF and its partners for achieving (or not) the GCF's objectives, as contained in the Governing Instrument.
Action Plan	All evaluations (or reviews or assessments) will have an <b>action plan</b> to respond to the recommendations and the GCF Board decision on the IEU report within a year of the report being presented to the Board.
Capacity development	Supporting the development of competencies and abilities of GCF members and partners on how to measure and evaluate climate change adaptation and mitigation investments.
Conflict of interest	Evaluators are required to disclose in writing any past experiences of themselves, or their immediate family, which may give rise to a potential conflict of interest, and to deal honestly in resolving any conflict of interest which may arise (based on the UNEG Code of Conduct for Evaluation in the UN System, 2008).
Data	All relevant GCF facts and information, including electronic data and documents. Secondary data is found in documentation from the AEs and other project partners, government, research institutions, market data, and other outside sources. Primary data is drawn from various sources, including: interviews with key stakeholders, focus group discussions, field visits to project sites, direct observation, etc. The monitoring function provides valuable data for evaluation.
Evaluation	Assessment of an intervention or group of interventions to determine what works and what doesn't, for whom, how much, why, and under what circumstances
Evaluative Evidence	Presentation of data and facts generated through an independent assessment process conducted either by the IEU, independent units of AEs or independent evaluators. There are five types of evaluative evidence: evaluations, impact assessments, reviews, studies, and syntheses.
GCF Stakeholder	GCF stakeholders include the GCF Board and its appointed bodies and groups, the COP, UNFCCC, GCF Secretariat staff, the IEU, the Independent Redress Mechanism (IRM), the Independent Integrity Unit (IIU), Accredited Entities (AEs), National Designated Authorities (NDAs), civil society and private sector.
Management Response	All evaluations (or reviews or assessments) presented by the IEU to the GCF Board will have an official <b>management response</b> from the GCF Secretariat (prepared in consultation with relevant GCF stakeholders) expressing the views of management regarding the evaluation. This response may be presented together with the evaluation (or review or assessment) or it may be presented to the Board at the next board meeting.
Measurement	To ascertain the extent, the size or the amount of something. It is one of the key functions of evaluation at the GCF as it is used to assess whether and how much the GCF is achieving its objectives. Measurement at the GCF implies providing "representative" or average values informed by both qualitative and quantitative data. "Measurement" at the GCF implies going beyond just using quantitative data.

Mixed Methods	A mixed-method evaluation systematically integrates two or more evaluation methods, drawing on both qualitative and quantitative data, incorporating for example both randomized control trial experiments and case studies and different types of data collection techniques (structured observations, key informant interviews, household surveys, reviews of existing secondary data).
Monitoring and Accountability Framework (MAF)	The GCF Secretariat is responsible for implementing the MAF. The MAF has two components: (i) monitoring of AE compliance with the accreditation standards of the GCF and (ii) M&E of individual funded interventions (projects or programs). Monitoring is a continuing process that collects and analyses data or information from Fund-supported projects/programs for the purpose of identifying progress on activities and expected results. The GCF encourages participatory monitoring.
Recommendation	Proposals aimed at enhancing the effectiveness, quality, or efficiency of a development intervention. In an evaluation, recommendations should be linked to conclusions.
Review	Assessment of performance of an intervention, periodically or on an ad hoc basis. Reviews tend to emphasize operational aspects and may involve less depth of analysis or be less comprehensive than evaluations. Evaluations are considered a more comprehensive and/or more in-depth assessment than reviews. Reviews tend to emphasize operational aspects.
Study	Detailed investigation and analysis of a subject or situation
Synthesis	Aggregation of findings and results from a series of evaluations, reviews or studies (or a combination of any of them). Meta-evaluations are example of syntheses. One objective of the syntheses is to develop benchmarking for different types of GCF projects.
Theory of change	A theory of change is a method that explains how a given intervention, or set of interventions, are expected to lead to a specific change (in this case, evidence-based decision making), drawing on a causal analysis based on available evidence. A theory of change also helps to identify the underlying assumptions and risks that will be vital to understand and revisit throughout the process to ensure the approach will contribute to the desired change. (UNDAF Companion Guidance).
<b>Type of Evaluation</b>	
Corporate evaluation	Evaluation covering all the interventions that apply at the Fund level
Country portfolio evaluation	Evaluation covering all the interventions in a specific country and the strategy behind these interventions.
Ex-post	Evaluation conducted at completion of the project or a few years after using mixed methods
Final evaluation	Evaluation that is near or at the end of an intervention so as to provide evaluative evidence covering the entire intervention. It measures the overall impact, effectiveness, efficiency, sustainability, replicability and lessons learned of a project.



Governance and institutional evaluation	Evaluation that assesses the performance, achievements and lessons from the governance and institutional structure of the GCF
Impact Assessment	Evaluation that measures primary and secondary long-term effects of an intervention or group of interventions in a causal way. They are selected, upon agreement between an AE and the IEU, and conducted by the AE with technical support from the IEU and financially supported by the IEU and project budgets.
Midterm evaluation	Evaluation performed midway through the implementation of an intervention to assess progress towards and likelihood of achievement of outcomes and impacts. It usually has a strong formative focus.
Performance of the GCF	Independent performance review of the GCF, led by the IEU. The overall aim of the review is to assess the extent to which the GCF has delivered its objectives as laid out in the Governing Instrument and strategic plans, likely performance of the Fund, its funded activities and their effectiveness and efficiency, and the extent to which it has responded successfully to the needs of developing countries.
Pre-feasibility assessment or ex-ante evaluation	Evaluation that is performed before implementation of an intervention with the purpose of assessing whether it is likely to achieve its expected outcomes and impacts
Process evaluation	Evaluation of the internal dynamics of organizations implementing GCF projects, their policy instruments, their service delivery mechanisms, their management practices, and the linkages among them
Portfolio evaluation	Evaluation covering all the interventions within a particular cluster of projects or portfolio.
Real Time	Evaluation process that takes place throughout the implementation of an intervention with the purpose of drawing real-time lessons to be used to improve programming as it is implemented
Sector/Thematic/ Area evaluation	Evaluation of a series of interventions, all of which address a specific theme or cover a specific sector, while cutting across countries, regions, and sectors or themes. Sector and thematic evaluations can be normative (assessing performance in relation to a benchmark), formative (aimed at improving performance), or summative (aiming to determine the extent of outcomes achieved in said sector or topic).
Strategy evaluation	Evaluation covering the effectiveness, efficiency, results and sustainability of particular strategy of the GCF.

(\*) Several definitions are adapted from the OECD/DAC Glossary of Key Terms in Evaluation and Results Based Management, Paris, 2010: [www.oecd.org/dac/evaluation](http://www.oecd.org/dac/evaluation).