

LEARNING PAPER SUMMARY:

THE EVALUABILITY ASSESSMENT OF GREEN CLIMATE FUND'S FUNDING PROPOSALS (2023)

The IEU's Learning Paper Series fosters learning and discussion of climate evaluation, low-emission and climate-resilient development pathways. This 2-page summary provides an overview of the IEU's learning paper on the Evaluability assessment of Green Climate Fund's Funding Proposals (2023).

BACKGROUND

In 2019, the IEU released a working paper, "Becoming bigger, better, smarter: A summary of the evaluability of Green Climate Fund proposals." The paper assessed the level of risk in establishing rigorous monitoring and evaluation frameworks upon implementation based on information available in funding proposals. The paper addressed in this brief, "The evaluability assessment of GCF's funding proposals (2023)," continues this series and examines the risks in measuring the potential impact of climate adaptation and mitigation projects focusing on the GCF's 2020-2023 replenishment cycle.

KEY QUESTIONS

The learning paper asks **to what extent the design of GCF-supported projects enables them to credibly report on their impacts, efficiency, and effectiveness in an evidence-based and robust way.**

The IEU poses this question for two reasons. First, the GCF aims to support a paradigm shift towards low-emission and climate-resilient development pathways. Thus, it is critical to verify if the GCF's investment portfolio is catalysing a shift and whether the shift is attributable to the GCF's intervention. Achieving this requires projects to credibly measure if they achieve their stated goals.

Second, by evaluating how its projects drive paradigm shifts, the GCF gains key insights to shape the future of global climate action.

AIM OF THE STUDY

This learning paper presents the assessment of 193 approved funding proposals in the GCF's project portfolio as of 30 September 2023. The study aims:

- To assess the quality at entry of the proposals for GCF-approved projects, enabling project managers to produce stronger proposals more likely to report quantified results and achieve success
- To introduce evidence-based learning into GCF pro-

jects and processes, inform the GCF's investment criteria and enhance the implementation and impact of GCF investments.

Achieving these two aims will alert GCF managers to potential design risks in currently supported projects, enhance the quality of proposals, improve results measurement, and foster discussion on effective measurement methods for inclusion in proposals. Such a discussion, in tandem with robust methods, will enhance the GCF's capacity to report its overall impact measurably and credibly.

These two aims help us to meet four purposes:

- First, to develop the IEU baseline for understanding past and current quality of proposals so that the IEU can subsequently refine policies and guidelines to help improve GCF projects;
- Second, to help inform risks that may arise in GCF-funded activities and alert project managers to them;
- Third, to improve the quality of proposals overall; and
- Fourth, to help projects build capacity to measure better and discuss methods that FPs may use for this purpose.

METHODOLOGICAL APPROACH

The study assesses the effectiveness of proposals submitted for GCF funding, focusing on their potential to deliver credible, measurable results. Rather than evaluating proposals based on the capacity of the submitter, the study examines them across several dimensions, including whether the proposals are aligned with the GCF's objectives.

Funding proposals are examined for robustness and risk through the following:

1. Its theory of change
2. The potential to measure and report causal change and report results using impact measurement

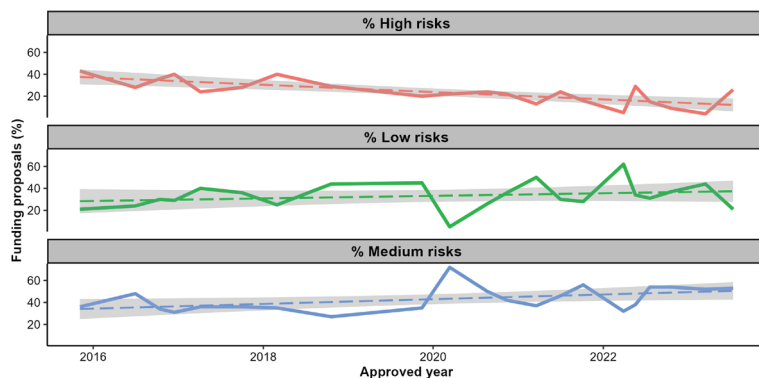
3. The project's ability to credibly meet the GCF's investment criteria
4. The systems that support progress reporting and implementation fidelity

As a result, funding proposals are categorized based on a low, medium and high risk rubric, indicating how they might fulfill the GCF's investment criteria effectively.

FINDINGS

- **Decrease in high-risk projects over time:** The overall quality of project proposals at entry has improved over time, with the number of high-risk projects decreasing and the number of low or medium risk projects increasing. Assessment criteria that indicate improvement include effective articulation of the theory of change, programme logic frameworks, baseline data collection, and the formulation of reporting plans with significant potential to measure progress against project impacts. Specific improvements since the Initial Resource Mobilization (IRM) through to the GCF-1 period include significantly better proposals discussing the proposed projects' M&E plan and necessity for baseline data collection.

Forty-seven per cent of funding proposals were identified as high-risk on this assessment criteria in the IRM period, while only four per cent were assessed as high-risk in the GCF-1 period. Despite this decline in risk, challenges remain, particularly in enabling credible reporting of causal change, as evident in the increase of high-risk funding proposals with design challenges increasing from 17 per cent during the IRM to 23 per cent during GCF-1.



- **Unintended consequences are not mentioned sufficiently:** Despite the improvements in the overall quality of GCF project proposals discussed above, 30 per cent of funded activities do not discuss potential unintended consequences in their approved proposals, indicating a need for clear guidance or capacity building to improve the proposal quality.
- **The approach to monitoring and evaluation (M&E) is not well articulated:** A substantial need exists for a more comprehensive and detailed approach to M&E to ensure the GCF can reliably track and report the impacts of its investments. The study highlights that only 27 per cent of the proposals have well articulated reporting requirements deemed sufficient for regular M&E. In contrast, 50 per cent of the proposals need further clarification to ensure their reporting requirements meet regular M&E standards. Moreover, 23 per cent of proposals ignored adequate reporting requirements for regular M&E.

Assessment criteria	IRM (94)	GCF-1 (99)	Change in high risk
	% High risks	% High risks	
Improved areas	A: What is the quality of the (implicit or explicit) theories of change and program logic?	23% → 12%	- 11 %
	C: How well are other GCF investment criteria informed and are these measurable and verifiable with high credibility and quality?	20% → 7%	- 13 %
	D: Have baseline data been collected and/or is there a requirement for this?	47% → 4%	- 43 %
Worsened areas	B: Does the proposal design allow for credible reporting of causal change?	17% → 23%	+ 6 %
	C: Is there adequate and reliable information included in the proposal regarding implementation fidelity?	4% → 8%	+ 4 %

Sample size: The assessment includes 193 projects (94 projects approved during the IRM period and 99 from the GCF-1 period).

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GREEN CLIMATE FUND

Independent Evaluation Unit

