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# Optimized approach to monitoring, evaluation, and learning: Co-Chairs' proposal

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## Summary

This document presents the GCF approach to monitoring, evaluation and learning, and related policies, within GCF. It has been prepared under the guidance of the Co-Chairs and with the support of the Independent Evaluation Unit (IEU) and the Secretariat, in accordance with Board decision B.40/14, paragraph (f). The document describes the delineation of the roles and responsibilities of the Secretariat and the IEU.

## I. Introduction and mandate

1. At its fortieth meeting (B.40), in October 2024, the Board, through decision B.40/14, paragraph (f), requested the Co-Chairs to (a) undertake consultations with the Secretariat and the Independent Evaluation Unit (IEU) on the evaluation and learning functions of GCF and (b) recommend for the Board's consideration, no later than B.42, an optimized approach to monitoring, evaluation and learning, and related policies, that clearly delineates the roles of the Secretariat and the IEU and avoids duplication of effort and resources.
2. In keeping with the overarching roles outlined in the Governing Instrument for the GCF, the Secretariat and the IEU have functioned in an iterative and complementary manner. Under the updated Strategic Plan for the GCF 2024–2027 (USP-2),<sup>1</sup> the Secretariat is tasked with strengthening the monitoring capabilities, results orientation, adaptive management and institutional learning of GCF. Meanwhile, the IEU is responsible for IEU-led evaluations and other functions defined in the Evaluation Policy for the GCF<sup>2</sup> and the Updated terms of reference of the Independent Evaluation Unit".<sup>3</sup>
3. The following sections present the delineation of roles and responsibilities between the IEU and the Secretariat in response to the request by the Board.
4. For further background, annex II provides references on the GCF approach to monitoring, evaluation and learning, and annex III provides background on the delineation of such responsibilities in other multilateral organizations, for comparison.
5. In addition, a draft decision is contained in annex I.

## II. Roles and responsibilities of the Secretariat and the Independent Evaluation Unit

6. Table 1 clarifies the differences between the monitoring, evaluation and learning functions and delineates the responsibilities of the Secretariat and the IEU.

**Table 1: Responsibilities of the Secretariat and the Independent Evaluation Unit**

Type of evaluation	Secretariat	Independent Evaluation Unit
<b>AE-led evaluations<sup>4</sup></b>	<p>Responsible or quality-assures AE project and programme evaluation reports in line with the monitoring and accountability framework, the Evaluation Policy and legal agreements to ensure compliance with the Evaluation Policy and standards and guidelines.</p> <p>Develops operational guidelines and procedures in coordination with the IEU.<sup>5</sup></p>	<p>Reviews the efficiency and effectiveness of the Secretariat on operationalization and enforcement of the Evaluation Policy and the Evaluation Standards.</p>

<sup>1</sup> Decision B.36/13, annex III.

<sup>2</sup> Decision B.BM-2021/07, annex I.

<sup>3</sup> Decision B.BM-2021/15, annex I.

<sup>4</sup> As footnote 2 above, table 2.

<sup>5</sup> As footnote 2 above, para. 33.

Type of evaluation	Secretariat	Independent Evaluation Unit
<b>Secretariat-led evaluations<sup>6</sup></b>	<p>Responsible.</p> <p>As per the Evaluation Policy for the GCF, the Secretariat informs and engages with AEs, NDAs and other GCF stakeholders to decide on relevant topics and access relevant data for Secretariat-led evaluations.</p> <p>It also engages with the IEU regarding Board-mandated quality assurance of Secretariat-led evaluations.</p>	<p>Performs quality assurance upon request by the Board.</p> <p>Provides technical support in the design and implementation of evaluations and reviews upon request by the Secretariat.<sup>7</sup></p>
<b>IEU independent evaluations<sup>8</sup></b>	<p>Informs and shares/provides relevant data, including annual performance reports, and shares all reports with the IEU in a timely manner for Board-mandated evaluations. Facilitates engagement with project and programme stakeholders in evaluating GCF investments as appropriate.</p> <p>Prepares management responses for Board review.<sup>9</sup></p>	<p>Responsible.</p> <p>Incorporates lessons learned from previous IEU evaluations and syntheses.<sup>10</sup></p> <p>Assesses the Secretariat's follow-up of Board decisions<sup>11</sup> with a management action report.<sup>12</sup></p>
Area of work	Secretariat	Independent Evaluation Unit
<b>Policy</b>	<p>Primary responsibility in:</p> <ul style="list-style-type: none"> <li>Developing monitoring, evaluation and learning policies, and consulting the IEU, as required;</li> <li>Incorporating the lessons learned from monitoring the GCF portfolio into policy and practice; and</li> <li>Reviewing the monitoring, evaluation and learning requirements in GCF-supported project and programme proposals.<sup>13</sup></li> </ul>	<p>Primary responsibility in:</p> <ul style="list-style-type: none"> <li>Developing and updating the Evaluation Policy and the Evaluation Standards as the custodian, in collaboration with the Secretariat;<sup>14</sup></li> <li>Advising on the effective implementation of the Evaluation Policy;<sup>15</sup></li> <li>Contributing to the GCF knowledge management process;<sup>16</sup> and</li> <li>Making recommendations to the Board regarding improvements to GCF performance and results</li> </ul>

<sup>6</sup> As footnote 2 above, table 2.

<sup>7</sup> As footnote 2 above, para. 52.

<sup>8</sup> As footnote 2 above, table 2.

<sup>9</sup> As footnote 2 above, paras. 36 and 58(g).

<sup>10</sup> As footnote 2 above, para. 56.

<sup>11</sup> As footnote 2 above, para. 58(g).

<sup>12</sup> As footnote 2 above, para. 64(b).

<sup>13</sup> "Initial approach to the monitoring and evaluation policy" (decision B.08/07, annex IX), para. 4.

<sup>14</sup> As footnote 2 above, paras. 50 and 58(a).

<sup>15</sup> As footnote 2 above, para. 50.

<sup>16</sup> As footnote 13 above, para. 4.

Area of work	Secretariat	Independent Evaluation Unit
		management framework. <sup>17</sup>
<b>Improvement of project and programme implementation</b>	Advises, guides and provides back-up services for internal process evaluations to inform adjustments to projects and programmes. <sup>18</sup>	Advises, guides and assists real-time impact assessments and evaluations for a selection of the funded activities portfolio (e.g. LORTA). Learnings from LORTA are used in project and programme implementation and to inform adaptive management. <sup>19</sup>
<b>Project reporting<sup>20</sup></b>	Assures the quality of annual performance reports and of interim and final evaluations, provides feedback to AEs, and shares reports and data with the IEU.	Supports independent fit-for-purpose data systems for impact measurement and evaluations.
<b>Monitoring data and information</b>	Establishes fit-for-purpose data and monitoring systems and shares with the IEU; monitors projects and manages results.  Improves the ability to undertake adaptive management for the achievement of climate results.  Improves the ability to report on results and impact of GCF investments, including through funded activities, the Readiness and Preparatory Support Programme and the Project Preparation Facility.	Makes recommendations to the Board regarding improvements to the GCF performance and results management framework. <sup>21</sup>
<b>Results management</b>	Develops, updates and revises the Integrated Results Management Framework and the Readiness Results Management Framework, including guidance and capacity development.	Makes recommendations to the Board regarding improvements to the GCF performance and results management framework. <sup>22</sup>
<b>Capacity-building</b>	Responsible for building the monitoring, evaluation and learning capacities of IEs, including AEs, executing entities, readiness delivery partners, NDAs and other relevant stakeholders. <sup>23</sup>	Supports strengthening the evaluation capacities of IEs, to enable evaluation of their GCF portfolio activities. <sup>24</sup>

<sup>17</sup> As footnote 3 above, para. 10.

<sup>18</sup> As footnote 13 above, para. 10.

<sup>19</sup> As footnote 2 above, paras. 53 and 54.

<sup>20</sup> As footnote 2 above, figure 1.

<sup>21</sup> As footnote 3 above, para. 10.

<sup>22</sup> As footnote 3 above, para. 10.

<sup>23</sup> As footnote 2 above, para. 38.

<sup>24</sup> As footnote 3 above, para. 27.

Area of work	Secretariat	Independent Evaluation Unit
<b>Communities of practice</b>	Collaborates with relevant expert groups under the United Nations Framework Convention on Climate Change, multilateral climate funds and other stakeholders to ensure coherence and effectiveness in monitoring, evaluation, learning and reporting in relation to multiple initiatives under the Convention. <sup>25</sup>	Establishes and leads a community of practice of evaluators working in the climate change space. <sup>26</sup>
<b>Advisory</b> <sup>27</sup>	Advises AEs on the theory of change, feasibility, monitoring and results systems to be included, and on policies and standards, during the funded activity agreement appraisal process.	Provides technical advisory services on evaluations.
<b>Learning</b>	Enhances and promotes learning for operational improvements for the Secretariat and partners (e.g. adaptive management) based on AE-led evaluations, Secretariat-led evaluations, IEU evaluations, and other project and corporate data.  Disseminates lessons learned through tailored products that are focused on filling learning and knowledge gaps. <sup>28</sup>	Disseminates lessons learned to Board members, AEs, the Secretariat and other actors. <sup>29</sup>
<b>LORTA</b> <sup>30</sup>	Collaborates with the IEU in advising, guiding and assisting in impact assessments.  Assists the IEU in selecting projects for real-time impact assessments.	Responsible for advising, guiding and assisting impact assessments, in collaboration with the Secretariat. Receives data and reports from real-time impact assessments and shares them with the Secretariat.  Selects LORTA projects in coordination with the Secretariat.

*Abbreviations:* AE = accredited entity, IE = implementing entity, IEU = Independent Evaluation Unit, LORTA = learning-oriented real-time impact assessment, NDA = national designated authority.

<sup>25</sup> As footnote 13 above, para. 13.

<sup>26</sup> As footnote 2 above, para. 55.

<sup>27</sup> As footnote 2 above, figure 1.

<sup>28</sup> As footnote 2 above, para. 37.

<sup>29</sup> As footnote 2 above, para. 56.

<sup>30</sup> As footnote 2 above, para. 53.

### III. Evolution of monitoring, evaluation and learning: current and future perspectives

7. The monitoring, evaluation and learning functions of GCF have steadily evolved since its inception. In 2024 the Secretariat established the Department of Monitoring, Evaluation and Learning (DMEL). It plays a central role in ensuring transparency, accountability and continuous improvement across GCF by measuring and assessing the quality of investments and organizational processes. Through rigorous Secretariat-led evaluation, evidence-based insights, and stakeholder engagement, DMEL drives learning and decision-making to maximize GCF's impact. Prior to the formation of DMEL, these functions were dispersed and discharged by different divisions within the Secretariat, particularly the earlier Division of Portfolio Management and Knowledge Management Unit, based in the Office of the Executive Director.

#### 3.1 Monitoring

8. In 2014, the Board approved the Performance Measurement Framework as the guiding framework for monitoring the performance of the initial cohort of GCF-funded projects. As GCF investments grew in size and complexity, the Board approved a new results framework, the Integrated Results Management Framework (IRMF), in 2021. Currently, DMEL tracks results and manages reporting under both frameworks. In the period since approval of the IRMF, a working group of multilateral climate funds has been constituted to take a harmonized approach to results measurement and reporting; furthermore, multilateral development banks, which are a significant source of multilateral climate finance, have introduced the *Common Approach to Measuring Climate Results*.<sup>31</sup> In addition, deliberations are ongoing to finalize the indicators pertaining to the Global Goal on Adaptation. The IRMF also foresees that it may be revised after the third year of its implementation. To optimize the monitoring of portfolio performance and results spanning the two frameworks and to better enable external coherence and complementarity with other major sources of climate financing, DMEL is working on a harmonized results framework to assimilate multiple relevant internal and external frameworks and improve GCF's ability to report on results and impact in an integrated manner.

9. Portfolio results frameworks are operationalized through robust data management and reporting processes. The GCF Secretariat has systematically aggregated and reported portfolio results through periodic submissions to the Board. DMEL, with its dedicated monitoring mandate, is improving GCF data management processes to facilitate (a) early quality assurance of results data, (b) better measurement and reporting of portfolio results and impacts, including

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<sup>31</sup>Available at <https://documents1.worldbank.org/curated/en/09981151112496502/pdf/IDU-99acbc4c-fed3-4876-8e94-7829cf8efe5d.pdf>.

co-benefits and (c) evidence-based insights for real-time learning and decision-making by the Secretariat and Board. Some of the initiatives being undertaken to meet these objectives are:

- Advising on digitization of concept notes and funding proposals, including the results framework and their linkage to Annual Performance Reports for seamless and accurate reporting of results throughout the project lifecycle;
- Creation of internal best practices for results data management and reporting and their socialization within the Secretariat;
- Validation exercise covering existing results data reported by accredited entities (AEs), including results on greenhouse gas emissions;
- Introduction of an innovative semi-automated data extraction and validation method for funded activity proposals approved in 2024, the first year of USP-2 implementation, for better identification of contributions to supplementary indicators and the co-benefits associated with GCF funding. This has enabled the Secretariat to report beyond just core indicators. This exercise is being scaled up to cover all funding proposals;
- Simulation exercise for projecting the impacts of GCF investments under different scenarios based on current trends; and
- Creation of reporting platforms and dashboards for real-time, aggregated data reporting to relevant stakeholders. Currently, DMEL has produced bespoke dashboards for regional divisions as well as GCF's Executive Leadership Team for reporting relevant portfolio data and results data.

10. In this way, DMEL will improve the data management and reporting system, making it more fit-for-purpose in the context of a rapidly evolving GCF business model.

## 3.2 Monitoring, evaluation and learning capacity development

11. In 2025, DMEL has concluded the first outcome evaluation of the Readiness and Preparatory Support Programme. Moving forward, DMEL, through its evaluation function, will produce demand-based, learning-oriented analytical and evaluative work to fulfil the learning needs of GCF through reviews, real-time developmental evaluations and synthesis of existing evidence within GCF. Currently, DMEL is preparing a synthesis of AE-led project interim evaluations and a rapid evaluation of locally led climate action in GCF. DMEL is also expected to revise and update the methodological guidance for AE-led evaluations. In addition, a quality assurance function for AE-led evaluations will be set up to bring better consistency and aggregate performance metrics at the portfolio level.

12. In the GCF ecosystem, the monitoring, evaluation and learning mandate also rests with the countries and AEs. DMEL is currently setting up a comprehensive capacity-development programme for country-level stakeholders (such as NDAs, delivery partners and civil society organizations) and project-level partners (such as AEs) to enable better monitoring, evaluation and reporting. The capacity development at the national level will enable monitoring and evaluation (M&E) of nationally determined contributions and national adaptation plans, while the capacity-building of AEs will enable better monitoring and reporting of the results of GCF's investments. Such a programme is expected to be delivered through regional partners and at the regional level.

## 3.3 Learning

13. GCF will continue its focus on being a learning organization. The Secretariat will establish more structured forums for stakeholder engagement, expert feedback, learning loops



and advice. This will involve (a) adopting participatory approaches drawing on the insights of affected communities, Indigenous Peoples, civil society, women, youth and academia and (b) building systems and facilitating networks to promote data exchange, peer learning and knowledge-sharing to improve investment design, access and impact.

14. The priority of learning in the Secretariat is to use data and evaluations to improve operational efficiency and effectiveness relating to, for example, programming and project implementation of funded activities and the Readiness and Preparatory Support Programme. The intention is to focus on learning needs- and demand-led systems. User-friendly technologies and dashboards are being introduced to enable GCF partners and staff to query and use existing databases and repositories on lessons learned and good practices. Storytelling is a powerful tool for showing how the growing GCF portfolio is leading to results and impact on the ground. DMEL is preparing impact case studies to demonstrate how GCF projects achieved results in relation to the global adaptation and mitigation agendas.

### **3.4 Department of Monitoring Evaluation and Learning resourcing**

15. Since it started in October 2024, DMEL has prioritized addressing fundamental data and monitoring gaps, as meaningful and reliable reporting on results was considered of paramount importance. Accordingly, the Executive Director has increased resourcing allowing for data quality assurance, operating data management systems, and conducting analyses. During 2025 DMEL will be augmented with new staff members to further strengthen results monitoring and impact measuring and reporting.

16. Within its limited resources for the other workstreams, DMEL has initiated some substantial activities: planning of a roll-out of monitoring, evaluation and learning capacity development in GCF and with partners; a more thorough approach to management responses to IEU evaluations; and the implementation of one rapid evaluation. For learning, the limited resources in place so far allow for developing case studies, providing support to the Enterprise Risk Management catalogue of good practice, update of the taxonomy, and some learning events. For facilitating and activating additional learning loops, both resources in DMEL as well as the commitment of operational departments to join efforts on learning will need to be secured and planned for 2026 and beyond.

## **IV. The GCF Independent Evaluation Unit**

17. The IEU is established as a core part of GCF, focusing on learning, accountability and dialogue. The Governing Instrument for the GCF states that there will be periodic independent evaluations of the performance of GCF to provide an objective assessment of its results, including those of 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.<sup>32</sup> The Governing Instrument further states that the Board will establish an operationally independent evaluation unit as part of the core structure of GCF. The Head of the Unit will be selected by, and

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<sup>32</sup> Governing Instrument for the GCF, para. 59.



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.<sup>33</sup>

## 4.1 Independent Evaluation Unit objectives

18. With this direction, the Board approved the TOR of the IEU and provided three objectives:

- (a) Informing the decision-making by the Board and identifying and disseminating lessons learned, contributing to guiding the Fund and stakeholders as a learning institution, providing strategic guidance;
- (b) Conducting periodic independent evaluations of Fund's performance in order to provide an objective assessment of the Fund's results and the effectiveness and efficiency of its activities; and
- (c) Providing evaluation reports to the Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC) for purposes of periodic reviews of the financial mechanism of the Convention.<sup>34</sup>

19. The revised TOR of the Head of the IEU further states that the independent evaluation work is separate from the day-to-day M&E work of the Secretariat, as per paragraph 23(j) of the Governing Instrument.<sup>35</sup> While the evaluations led by the Secretariat are to fulfil its role in monitoring, evaluation and learning, the IEU-led evaluations are to fulfil the functions of accountability, learning and dialogue.

## 4.2 Independent Evaluation Unit workplan

20. The Board has provided specific guidance on the process for determining the IEU workplan. To maximize the value added of evaluations, the IEU will prepare its annual and three-year rolling workplans after consulting with the Board and the Secretariat, taking into account the Board workplan for the strategic period, Board policy and review cycle, and any other Board-approved documents defining the subjects and schedules of reviews.<sup>36</sup>

## 4.3 Independent Evaluation Unit Budget

21. Paragraph 58(b) of the Evaluation Policy for the GCF further provides that the IEU budget should be linked to the size of the GCF programming envelope since it represents the volume of operations that the IEU will evaluate in the future. It is anticipated that the overall annual budget for the IEU will not exceed 1 per cent of the programming envelope of GCF, while ensuring that the IEU annual budget will be sufficient to cover the annual workplan of the IEU approved by the Board.

## V. Complementarity between the functions of the Secretariat and the Independent Evaluation Unit

22. Good monitoring is a sine qua non for effective evaluations. Given the monitoring, evaluation (Secretariat-led or IEU-led independent) and learning functions described above, the

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<sup>33</sup> As footnote 32 above, para. 60.

<sup>34</sup> As footnote 3 above, para. 3.

<sup>35</sup> As footnote 32 above, para. 23(j).

<sup>36</sup> As footnote 3 above, para. 21.

Secretariat and IEU have complementary roles within GCF. These roles are distinct and seldom overlap, as outlined below:

- (a) **Importance of robust monitoring data for undertaking evaluations.** The Secretariat runs the GCF monitoring, evaluation and learning function. It has the mandate and the responsibility to ensure the accuracy, reliability, reportability and utility of the portfolio data generated from GCF projects and programmes. In its evaluations, the IEU depends heavily on data from the Secretariat's data systems, including monitoring data. Alongside the primary data collected by the IEU, robust monitoring data provides a critical secondary source for credible analysis and sound conclusions. Hence, the Secretariat's upstream monitoring work serves the downstream evaluation activities of the IEU;
- (b) **The AE reporting of results data and impact stories builds the basis for GCF's overall results measurement and reporting.** The AEs need to provide the Secretariat with timely reporting in accordance with the monitoring and accountability framework, the accreditation master agreements (AMAs), and the funded activity agreements. In building the evaluative evidence base of GCF, the IEU and the Secretariat continue to foster relationships with the AEs and other relevant stakeholders, to involve them in monitoring, evaluation and review activities where feasible, in accordance with the policies and frameworks of the GCF, AMAs, and the Terms of Reference of the IEU;
- (c) **Iterative learning loop of Secretariat-led evaluation and independent evaluation function.** DMEL works strategically on the Secretariat's emerging evaluation and learning needs. In addition, the Secretariat may undertake focused, timely, learning-oriented evaluations and produce other learning products to meet the specific needs of GCF and its stakeholders in a manner that focuses on filling learning and knowledge gaps in the organization. These products may also contribute to the evidence base the IEU uses for its evaluations. The IEU, in turn, delivers timely, credible and robust evaluations that support the Secretariat's learning mandate and help translate and transmit evaluation findings across the organization. Further, the independent and credible evaluations of the IEU are expected to strengthen the GCF monitoring function by providing additional findings and insights. This iterative loop fosters a healthy evaluation culture where Secretariat-led and independent evaluation work coexist in a complementary and reinforcing manner. As requested by the Board, the IEU and the Secretariat will ensure full harmonization and coordination of evaluations, with a view to avoiding duplication;<sup>37</sup>
- (d) **Capacity-building for monitoring, evaluation and learning to promote a results culture.** The Secretariat is expected to take the lead in building the capacity of AEs, both to prepare robust and credible midterm and terminal evaluations<sup>38</sup> and to undertake robust monitoring work. AE-led monitoring exercises and evaluations are crucial for enabling GCF to report on the results achieved through its investments. The IEU, as the custodian of the GCF Evaluation Policy, provides specific methodological support to the broader capacity-building mandate of GCF. Additionally, the IEU developed the Evaluation Standards to ensure consistency across the different types of evaluations conducted by GCF stakeholders, supporting the production of high-quality evaluations with strong evidence and recommendations;<sup>39</sup> and

<sup>37</sup> Decision B.34/06, para. (c).

<sup>38</sup> See "Evaluation Operational Procedures and Guidelines for Accredited Entity-Led Evaluations" available at: [www.greenclimate.fund/document/evaluation-operational-procedures-and-guidelines-accredited-entity-led-evaluations](http://www.greenclimate.fund/document/evaluation-operational-procedures-and-guidelines-accredited-entity-led-evaluations).

<sup>39</sup> Green Climate Fund Evaluation Standards, para. 2, available at <https://ieu.greenclimate.fund/document/green-climate-fund-evaluation-standards>.

- (e) **Range of evaluation work.** The IEU currently undertakes corporate, thematic, portfolio, programmatic and policy evaluations, as well as overall performance assessments of GCF.<sup>40</sup> These evaluations help the IEU to gain higher-level insights, conclusions and recommendations for the Board and Secretariat. According to the Evaluation Policy, Secretariat-led evaluations are commissioned and/or managed by the Secretariat to fulfil its M&E responsibilities.<sup>41</sup> In practice, the Secretariat conducts evaluations, analyses and reviews tailored to internal and external learning needs, enabling faster feedback loops to enhance policy, programme, and project design and operations. Further, GCF may carry out ex post evaluations following the end of project and programme implementation at its own cost, and with reasonable notice to AEs; these evaluations can either be Secretariat-led evaluations or IEU independent evaluations.<sup>42</sup>

## **VI. Co-Chairs' conclusion**

23. The Secretariat has made substantial progress in institutionalizing the monitoring, evaluation and learning (MEL) function, including the establishment of the Department of Monitoring, Evaluation and Learning (DMEL), which is now fully operational. This enhancement is expected to further strengthen the overall evidence base for GCF operations, improve portfolio learning, and enable timely and fit-for-purpose results reporting. In parallel, these developments support the Independent Evaluation Unit's (IEU) independent function by enabling greater and more systematic access to quality data, in line with the Evaluation Policy and the principles of complementarity between the Secretariat and the IEU.

24. The optimized MEL approach described in this document reflects a coherent and coordinated institutional architecture that delineates responsibilities, reduces duplication, and promotes an iterative learning loop across Secretariat-led and IEU-led evaluations. Moreover, planned investments in MEL capacity development and data systems will enhance knowledge sharing, adaptive management and organizational learning, contributing to improved operational effectiveness and climate results.

25. In this context, the Co-Chairs recommend that the Board continue to provide sufficient and targeted resources to both the Secretariat and the IEU to implement the MEL functions in a streamlined and efficient manner. This includes taking steps to ensure cost-effective delivery of the IEU workplan within the established envelope, as well as enabling enhanced data interoperability, digital platforms for MEL, and greater institutional coherence across GCF's performance and results management systems.

## **VII. Recommended action by the Board**

26. The Board is invited to consider and adopt the decision contained in annex I.

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<sup>40</sup> As footnote 3 above, paras. 17–21.

<sup>41</sup> As footnote 2 above, para. 21.

<sup>42</sup> As footnote 2 above, para. 24.

## Annex I: Draft decision of the Board

The Board, having considered document GCF/B.42/16 titled “Optimized approach to monitoring, evaluation, and learning: Co-Chairs’ proposal”:

- (a) Takes note of the progress made by the Secretariat in operationalizing an optimized approach to monitoring, evaluation and learning and of the clarified delineation of the complementary roles between the Secretariat and the Independent Evaluation Unit;
- (b) Requests the Budget Committee to consider the optimized approach to monitoring, evaluation and learning and the continued need to strengthen the Secretariat’s monitoring, evaluation and learning capacity—including digital monitoring, evaluation and learning infrastructure, data interoperability, and partner capacity development—when reviewing the Secretariat’s budget and workplan for 2026 and beyond;
- (c) Also requests the Risk Management Committee to consider the optimized approach to monitoring, evaluation and learning when guiding the development of the Independent Evaluation Unit workplans for 2026 and beyond, and further requests the Budget Committee to ensure that the Independent Evaluation Unit’s resource needs are addressed in a streamlined manner and aligned with the scale of the programming envelope; and
- (d) Encourages the Secretariat and the Independent Evaluation Unit to continue enhancing coordination mechanisms and data-sharing arrangements, with full respect for the Independent Evaluation Unit’s operational independence, to promote learning synergies and avoid duplication, including feedback loops where appropriate.

## Annex II: GCF approach to monitoring, evaluation and learning

1. In GCF, the delineation of responsibilities between the Secretariat-led self-evaluation and Independent Evaluation Unit (IEU)-led independent evaluation functions is outlined in the relevant GCF policies and documents listed below, forming the basis for delineating the mandates of the Department of Monitoring, Evaluation and Learning (DMEL) and the IEU.

### I. Governing Instrument for the GCF

2. Paragraph 3 of the Governing Instrument for the GCF states that GCF will be a continuously learning institution guided by processes for monitoring and evaluation (M&E).

3. As per paragraph 23(j) of the Governing Instrument, the Secretariat is responsible for the day-to-day operations of GCF, including carrying out M&E functions. Paragraph 57 of the Governing Instrument elaborates that GCF programmes and projects will regularly be monitored for impact, efficiency and effectiveness in line with rules and procedures established by the Board.

4. Paragraph 60 of the Governing Instrument further acknowledges the operationally independent evaluation unit as part of the core structure of GCF. The IEU is responsible for periodic independent evaluations of the performance of GCF. The key purposes of the independent evaluations are to provide an objective assessment of the results of GCF, inform decision-making by the Board, and identify and disseminate lessons learned.<sup>1</sup> Paragraph 60 of the Governing Instrument stipulates that the frequency and types of evaluation to be conducted will be specified by the IEU in agreement with the Board.

### II. Initial approach to the monitoring and evaluation policy

5. At its eighth meeting (B.08), in October 2014, the Board noted the initial approach to the M&E policy (hereafter, “the M&E approach document”) in decision B.08/07, annex IX. This document covers the differences between the M&E functions and further delineates the different responsibilities of the Secretariat and the IEU.

6. The M&E approach document defines monitoring as a continuous process that collects and analyses data and information from GCF-supported projects and programmes to identify progress on activities and expected results.<sup>2</sup> In contrast, evaluation is defined as a systematic and impartial assessment of projects and programmes that draws upon monitoring by GCF and focuses on determining the relevance, efficiency, effectiveness and sustainability of its supported projects and programmes.<sup>3</sup>

7. **Monitoring** provides GCF with information regarding the extent to which a supported project or programme has achieved the agreed results and objectives. This information can be

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<sup>1</sup> Governing Instrument for the GCF, para. 59.

<sup>2</sup> “Initial approach to the monitoring and evaluation policy” (decision B.08/07, annex IX), para. 5.

<sup>3</sup> As footnote 2 above, para. 14.

used for decision-making and taking corrective actions (adaptive management) and can be fed into evaluations and learning processes.<sup>4</sup>

8. **Evaluation** identifies findings and lessons learned that can inform project and programme design and implementation to improve the quality of GCF programming and enhance results.<sup>5</sup> Formal and informal **learning** is a key part of M&E.<sup>6</sup>

9. The primary responsibilities of the Secretariat listed in the M&E approach document include developing the monitoring policy, reviewing the M&E requirements in GCF-supported project and programme proposals, and incorporating the lessons learned from monitoring the GCF portfolio.<sup>7</sup> In addition, the M&E approach document mandates the Secretariat to elaborate monitoring guidelines, provide an online management system, explore opportunities to enhance and promote learning, support building the monitoring capacities of implementing entities, and provide implementing entities with back-up services for conducting internal process evaluations.<sup>8</sup>

10. In contrast, the primary responsibilities of the IEU listed in the M&E approach document include developing and updating the Evaluation Policy for the GCF and contributing to the GCF knowledge management process.<sup>9</sup>

### III. Evaluation Policy for the GCF

11. The Evaluation Policy was adopted by the Board in decision B.BM-2021/07 as a GCF-wide policy with the IEU as the custodian. The policy covers the evaluation functions of GCF exercised by the IEU, the Secretariat and accredited entities (AEs) as defined under the Governing Instrument,<sup>10</sup> acknowledging three types of evaluation:<sup>11</sup> IEU-led independent evaluations, Secretariat-led evaluations and AE-led evaluations. Section VIII contains the roles and responsibilities of the various actors involved, including the Secretariat (paras. 29–38) and the IEU (paras. 49–56).

12. Specifically, as per paragraph 20 of the Evaluation Policy, Board-approved IEU-led independent evaluations are conducted, commissioned and/or managed by the IEU in accordance with the Governing Instrument and the IEU updated terms of reference (TOR).<sup>12</sup> The IEU TOR prescribe using (as much as possible) internally generated data streams and applying the best evaluation norms and standards while undertaking independent evaluations.<sup>13</sup> The IEU is also responsible, in cooperation with the Secretariat, for advising, guiding and assisting learning-oriented real-time impact assessments.<sup>14</sup>

13. In contrast, as per paragraph 21 of the Evaluation Policy, the Secretariat commissions and/or manages Secretariat-led evaluations to fulfil its M&E role. As stated in paragraph 52 of the policy, the IEU may also (a) attest to the quality of Secretariat-led evaluations if requested

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<sup>4</sup> As footnote 1 above, para. 6.

<sup>5</sup> As footnote 1 above, para. 15.

<sup>6</sup> As footnote 1 above, para. 12.

<sup>7</sup> As footnote 1 above, para. 4.

<sup>8</sup> As footnote 1 above, paras. 7, 9, 10 and 12.

<sup>9</sup> As footnote 1 above, para. 4.

<sup>10</sup> Decision B.BM-2021/07, annex I, para. 10.

<sup>11</sup> As footnote 10 above, section VII.

<sup>12</sup> Decision B.BM-2021/15, annex I, section V.

<sup>13</sup> As footnote 12 above, para. 15.

<sup>14</sup> As footnote 10 above, para. 53.

by the Board and (b) provide technical support in the design and implementation of Secretariat-led evaluations upon request by the latter.

14. In addition, paragraph 24 of the Evaluation Policy allows ex post evaluations, following the end of project or programme implementation, to be led either by the Secretariat or by the IEU.

15. The Evaluation Policy clearly states that it does not cover the monitoring functions of GCF, except those directly related to the evaluation function.<sup>15</sup> The policy mandates all evaluations to be suitable for learning<sup>16</sup> and further requests the Secretariat and the IEU to synthesize findings and disseminate the lessons learned from evaluations.<sup>17</sup>

## **IV. Strategic Plan for the GCF 2024–2027**

16. The updated Strategic Plan for the GCF 2024–2027 (USP-2) mentions “results, knowledge and learning” as one of the institutional priorities, which guides the Secretariat’s function of monitoring, evaluation and learning. Specifically, USP-2 mentions the following priorities:

- (a) Consolidating implementation of GCF results, portfolio management, monitoring and evaluation frameworks, with increased reporting of actual results, including information at sub-project level, and focus on extracting and sharing learning from GCF programming and data;
- (b) Continuing the GCF’s focus on being a learning organization and recognizing the value of independent evaluations of GCF activities and its role in improving GCF’s effectiveness and efficiency;
- (c) Establishing more structured forums for stakeholder engagement and expert feedback, learning loops and advice, adopting participatory approaches drawing on insights of affected communities, indigenous peoples, civil society, women, youth and academia;
- (d) Housing and sharing climate investment data and knowledge, building systems and facilitating networks to promote free data-exchange, peer-learning and knowledge-sharing to improve investment design, access and impact; and
- (e) Capture delivery of co-benefits, including biodiversity and Rio markers, through tools available to the GCF.<sup>18</sup>

17. The GCF monitoring and accountability framework<sup>19</sup> for AEs outlines the obligations of AEs in relation to monitoring, evaluation and reporting (referring to para. 23 of the Governing Instrument) and outlines the responsibility of the Secretariat for implementing this framework. It further emphasizes the role of the Secretariat to use products such as annual performance reports and interim and final evaluations of funded activities in informing the Board on results, project and AE performance, and risks in the portfolio of funded activities.

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<sup>15</sup> As footnote 10 above, para. 12.

<sup>16</sup> As footnote 10 above, para. 15(b).

<sup>17</sup> As footnote 10 above, paras. 37 and 52.

<sup>18</sup> Updated Strategic Plan for the GCF 2024–2027 (decision B.36/13, annex III), para. 21(c).

<sup>19</sup> Decision B.11/10, annex I.



## Annex III: Delineation of responsibilities in other multilateral organizations

1. Among the multilateral climate funds, the Adaptation Fund (AF) and the Global Environment Facility (GEF) have separate monitoring and independent evaluation functions of varying sizes.<sup>1</sup> Within GEF, the Operations and Policy team includes staff specializing in results-based management whose primary task is to oversee the secretariat's monitoring function. The front office of the GEF Chief Executive Officer serves as the counterpart to the Independent Evaluation Office (IEO) in socializing evaluations and framing management responses. In AF, different secretariat staff manage the monitoring and self-evaluation function.
2. Additionally, AF and GEF have different organizational structures for conducting independent evaluations. AF operationalizes its independent evaluation function through the Terminal Evaluation Reference Group (AF-TERG), which is responsible for conducting evaluations, promoting their use and capacity-building.<sup>2</sup> The AF-TERG receives secretarial support from dedicated AF-TERG secretariat staff when discharging its functions.<sup>3</sup> In GEF, the independent evaluation function is operationalized through a fully staffed IEO, similar to the GCF IEU. These separate monitoring and evaluation (M&E) functions are explicitly recognized in each institution's policy suite. GEF has both a policy on monitoring (2019)<sup>4</sup> and an evaluation policy (2019).<sup>5</sup> Under the policy on monitoring, the GEF secretariat remains the custodian of the monitoring function, while the IEO is central to ensuring the independent evaluation function within GEF.<sup>6</sup> The separate yet complementary nature of the two functions and the organizational arrangements supporting them are well established in peer institutions of GCF.
3. Thus, among multilateral climate funds, monitoring and self-evaluation functions exist alongside an independent evaluation function. A similar complementary existence of self-evaluation and monitoring functions is seen in multilateral development banks and United Nations organizations.
4. In the International Fund for Agricultural Development (IFAD), the operational divisions of management conduct self-evaluations and manage ongoing M&E activities, focusing on project implementation and performance monitoring.<sup>7</sup> The Office of Development Effectiveness manages the IFAD corporate M&E system, focusing on internal performance tracking and learning. In contrast, the Independent Office of Evaluation (IOE) conducts independent evaluations of IFAD projects, programmes and strategies to assess their development results in partner countries. This separation ensures impartial assessments of IFAD policies, strategies and operations. The IOE reports directly to the IFAD executive board, maintaining independence from management. This clear division of responsibilities supports a

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<sup>1</sup> The climate investment funds are not included in this comparison due the absence of an equivalent to the Independent Evaluation Unit.

<sup>2</sup> *Evaluation Policy of the Adaptation Fund*, para. 33. Available at [www.adaptation-fund.org/wp-content/uploads/2022/07/New-Design-Evaluation-Policy.pdf](http://www.adaptation-fund.org/wp-content/uploads/2022/07/New-Design-Evaluation-Policy.pdf).

<sup>3</sup> *Evaluation Policy of the Adaptation Fund*, para. 29. Available at [www.adaptation-fund.org/wp-content/uploads/2022/07/New-Design-Evaluation-Policy.pdf](http://www.adaptation-fund.org/wp-content/uploads/2022/07/New-Design-Evaluation-Policy.pdf).

<sup>4</sup> *Policy on Monitoring*. Available at [www.thegef.org/sites/default/files/documents/gef\\_monitoring\\_policy\\_2019.pdf](http://www.thegef.org/sites/default/files/documents/gef_monitoring_policy_2019.pdf).

<sup>5</sup> *The GEF Evaluation Policy*. Available at <http://gefio.org/sites/default/files/documents/evaluations/gef-evaluation-policy-2019.pdf>.

<sup>6</sup> *The GEF Evaluation Policy*, para. 42. Available at <http://gefio.org/sites/default/files/documents/evaluations/gef-evaluation-policy-2019.pdf>.

<sup>7</sup> *IFAD Policy on Supervision and Implementation Support*. Available at [www.ifad.org/en/w/corporate-documents/policies/ifad-policy-on-supervision-and-implementation-support](http://www.ifad.org/en/w/corporate-documents/policies/ifad-policy-on-supervision-and-implementation-support).

comprehensive evaluation system that enhances accountability and learning within the organization.<sup>8</sup>

5. In the World Bank Group, M&E functions are divided between management and the Independent Evaluation Group (IEG). Management, through its various operational units, is responsible for internal M&E activities, including project monitoring and self-evaluation, to ensure alignment with development objectives.<sup>9</sup> The corporate M&E function rests with the Department of Outcomes. The IEG operates independently to evaluate the activities of the World Bank Group, providing accountability and lessons to strengthen future operations.<sup>10</sup>

6. The delineation of responsibilities between Secretariat-led self-evaluation and IEU-led independent evaluation functions is outlined in the relevant GCF policies and documents listed below, forming the basis for delineating the mandates of DMEL and the IEU.

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<sup>8</sup> Revised IFAD Evaluation Policy. Available at <https://ioe.ifad.org/en/w/evaluation-policy>.

<sup>9</sup> OP 13.60 – Monitoring and Evaluation. Available at <https://ppfdocuments.azureedge.net/3527.pdf>.

<sup>10</sup> Independent Evaluation Group Mandate. Available at [https://ieg.worldbankgroup.org/sites/default/files/Data/More-on-IEG/ieg\\_mandate.pdf](https://ieg.worldbankgroup.org/sites/default/files/Data/More-on-IEG/ieg_mandate.pdf).