

Becoming bigger, better, smarter: A summary of the evaluability of the Green Climate Fund proposals¹



1. Introduction

The GCF's goal is to support a paradigm shift towards low-carbon, high-resilience development pathways. Thus, it is important to measure if this shift is occurring and if the GCF contributes to it. The 2019 working paper summarized by this brief assesses the quality of GCF-funded projects based on their proposals. It asks to what extent are GCF supported programmes and projects capable of credibly reporting their impacts, efficiency and effectiveness in a robust, evidence-based way? The working paper aims to:

- Assess the quality of the proposals for GCF approved projects so that the GCF can learn and produce proposals with a high likelihood of measured results.
- Inform the GCF's investment criteria, embed evidence-based learning in GCF processes and strengthen the implementation and impact of GCF investments.

2. Deciding if proposals are fit for purpose

The paper assesses the potential for the internal validity of funding proposals through four lenses:

A theory of change (TOC): the paper assesses if proposals address the project's overall TOC. A clear TOC is critical to understanding if proposed

activities will achieve the project's desired aims.

Potential to identify causal change: to understand if a proposed project can achieve its claimed impacts, the paper examines the proposal's potential to measure causal change and report results.

Ability to inform the GCF investment criteria: the paper assesses if proposals credibly inform a project's impact, country needs, effectiveness, paradigm shift and sustainable development.

Reporting systems: the paper assesses if proposals include systems for reporting project progress and conducting monitoring and evaluation.

3. Stoplight assessments

To illustrate results, each proposal has a stoplight assessment that summarizes risks and other issues related to the results measurement and the information presented in each funding proposal. Four criteria inform the stoplight.

- *Low risk:* the project will likely achieve its proposed criterion
- *Medium risk:* a moderate probability exists for the project achieving its criterion.
- *High risk:* a high probability exists for the project not performing well in achieving its criterion.
- *Unclear:* none of the above can be applied to a proposed project's criterion.

¹ The citation for the IEU working paper discussed in this brief is: Fiala, Nathan, Jyotsna Puri and Peter Mwandri (2019). *Becoming bigger, better, smarter: A summary of the evaluability of Green Climate Fund proposals*. IEU working paper (March 2019). Independent Evaluation Unit, Green Climate Fund. Songdo, South Korea

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4. Findings

Theory of change

The paper finds that of the 93 proposals the GCF approved by January 2019, 49 per cent of all proposals identified possible unintended consequences of their activities. Despite this awareness, 62 per cent lacked well-defined theories of change.

Causal change and evaluability

The paper also finds that 48 per cent of all proposals have the potential to identify and measure causal change. Additionally, 26 per cent of the proposals include a discussion about the economic analyses they will carry out.

However, 68 per cent of the proposals do not discuss methods for measuring causal change or are unclear. Also, while 78 per cent of funding proposals include monitoring and evaluation reports, they state that their projects cannot cover the cost of high-quality evaluations.

Almost 94 per cent of all funding proposals do not show any awareness that significant bias may occur when measuring or claiming impacts.

Implementation

The IEU found that 20 per cent of the proposals had limitations in how investment criteria were informed or lacked sufficient information to inform them credibly.

In 60 per cent of the proposals, the impact potential of the project was discussed, but significant clarification was needed.

Only 15 per cent of the proposals can credibly measure progress on investment criteria.

Data collection and reporting

Only 18 per cent of the proposals indicated they would collect adequate baseline data. 31 per cent discussed the possibility of baseline data but required some clarifications.

Finally, just 13 per cent of proposals provided impact indicators capable of measuring the magnitude of causal change.

5. Learning and conclusions

The working paper proposes four key next steps for funding proposals approved for GCF investment. Ensure a more comparable picture across projects that allows for a proper assessment of the entire portfolio. To achieve this, the paper proposes implementing a common reporting framework. This is necessary as many proposals have conflicting information, making project comparisons difficult. Encourage organizations to consider how they can improve their proposals. For instance, most proposals could benefit from closely examining their TOCs. A TOC workshop with one or more organizations could improve understanding of whether a project or programme can achieve its intended impacts.

Include impact evaluations in 30 per cent of the GCF portfolio. This will help determine if GCF activities are meeting investment criteria. Understanding impact is important in deciding if investment criteria are achieved and ensuring that entities managing GCF investments learn how they can best implement their project activities.

Strengthen the line of secondary accountability, due diligence and monitoring of GCF investments. Monitoring programmes are critical to ensuring they are proceeding as planned and meeting their expected investment criteria. Without proper oversight, a strong possibility exists that programmes could lose focus and fail to complete programming as planned.

