

Annex XXI: IEU's Annual Work Plan and Budget for 2018

1. The following annex is organized accordingly:
 - (a) Section I presents important elements of the IEU's work plan which includes its responsibilities and three-year work plan;
 - (b) Section II presents the budget for the IEU for 2018;
 - (c) Section III provides a brief on policies and procedures for the independent and effective operation of the IEU; and
 - (d) Appendix I provides an outline of the Independent Evaluation Policy.

I. IEU's 2018 Work Plan

3. Key elements of the work plan are as follows. A timeline is presented in Table II.
4. **Building the IEU:** In 2018, an important focus for the IEU is to build and strengthen the Unit. Main activities include:
 - (a) Staffing the IEU: Two new staff members to support the IEU's work streams will be hired in 2018.
 - (b) The Fund's Evaluation Policy will be presented for Board consideration at B.20
 - (c) Work on the vision and strategy of the IEU will continue and the IEU's vision, theory of change and strategy will be circulated at B.21. Terms of reference for the IEU's four work streams will be articulated in alignment with the IEU's vision and strategy document.
5. **Evaluation:** The IEU will undertake three key evaluation related activities in 2018. The purpose of these evaluations is to support the GCF Board by providing it with credible evaluation evidence on the performance of the Fund and to inform the Executive Director of the Secretariat. This work stream includes the following activities:
 - (a) Independent Evaluation of the Readiness and Preparatory Support Programme: At B.17, the GCF Board requested the IEU to lead the independent evaluation of the Readiness and Preparatory Support Programme. The overall aim of this programmatic evaluation is to provide the GCF Board and the Secretariat with constructive advice on programme performance and possibilities for new strategic directions.¹
 - (b) Real-time project assessments and lessons learnt review: The IEU will pilot a learning-oriented real-time impact assessments (LORTA) window of 4-6 projects/programmes. Projects will be selected on the basis of their proposed innovation previously available effectiveness evidence, and their potential for achieving scale. The IEU will assist projects in building high quality and useful baseline data, and qualitative and quantitative approaches to measuring impact as well as to supporting real-time learning for building evaluation systems. LORTA will demonstrate lessons learnt from these projects on how the project may *measure causal* impact of GCF investments. The first phase of this pilot consisting of advice and support ('formative project assessments') will commence in 2018. An initial lessons learning formative review of measurement systems and suggested approaches for credible measurement will be shared with the

¹ Decision B.06/Annex III, evaluations will 'provide the Board and COP an independent assessment of the Fund's operations. These evaluations will also be used as building blocks for an overall assessment of the Fund.'

Board in 2018. The selection of projects will be made in collaboration with the GCF Secretariat. The IEU will present a report on this pilot at B.21.

- (c) Lessons learnt on the existing application and use of GCF's results management framework. This work will be led by IEU and will be supported by two consultants. The GCF has eight board-approved result areas within 'adaptation' and nine board-approved result areas within 'mitigation'. Within them, there are a total seven result areas with indicators that are board approved (two result areas within adaptation and five result areas within mitigation, including for REDD+).² The Board has requested further development of these indicators from the GCF Secretariat. The IEU's review of the results framework will assess the extent to which there are appropriate systems and capacity including baseline data and quantitative and qualitative measurement systems to inform these result indicators. The review will summarize lessons learnt from an assessment of the capacity of entities on the ground. It will summarize the extent to which there is potential to measure the effects of the programs on the ground, given the current capacity of the implementing entities. This will be presented to the Board at B.21;³ and

6. **Evidence-based advice, capacity strengthening and learning:** The IEU's terms of reference require it to develop plans to ensure that the evaluations inform learning across the Fund.⁴ The IEU's plan for 2018 will include the following components:

- (a) The IEU will undertake a needs assessment and a capacity assessment of GCF staff, systems and secretariat as well as GCF entities to understand essential training and learning needs. This will inform a capacity strengthening plan that will be presented to the Board at B.21. The IEU will also adopt innovative and cost-effective methods including videos and webinars to prepare learning modules to communicate evaluation standards and methods across its stakeholders;
- (b) The IEU will use evaluation evidence from other agencies to inform the GCF's operations and programs. To this end, the IEU will consolidate evaluation evidence in low carbon, climate resilient pathways and GCF result areas. These will be shown in easy-to-read evaluation maps and will help the IEU and GCF learn from evaluation evidence from other programmes and agencies.⁵
- (c) The IEU will adopt state-of-the-art methods in its evaluations. The IEU will commission two high quality methods papers as part of a series to explore state-of-the-art methodologies and measurement that are important for climate change evaluation. The papers will focus on examining two approaches: complexity science, and uses of big and rapid data and their applications for evaluations;

7. **Build partnerships with evaluation offices and other agencies:** The IEU has adopted an ambitious agenda. However, it cannot achieve everything without leveraging the expertise, geographic presence and support of partners in the field. The IEU will build partnerships in a strategic manner.⁶ It will leverage the capacity and presence of evaluation offices⁷ and expert

² Decision B.08/07(a) and Decision B.08/08(a)

³ Decision B.06/9/Annex III

⁴ Decision B.06/9/Annex III and Decision B.10/05/Annex V

⁵ Some of these gaps have been identified in the Map of Maps produced by Campbell Collaboration and the International Initiative for Impact Evaluation (3ie). In 2018, the IEU will focus on synthesizing evidence in the area of forestry programs and/or evidence for incentivizing pro-environment behavior.

⁶ Decision B.06/9/Annex III and Decision B.10/05/Annex V

⁷ These are ongoing partnerships with evaluation offices of the WFP and CDB. Others expected include evaluation offices of the ADB, UNDP, DIME and NORAD.

thematic agencies⁸ to build capacity and strengthen thematic expertise amongst its own stakeholders namely GCF staff and staff of accredited entities, implementing agencies and others. It will:

- (a) The IEU will support learning workshops where staff of accredited entities, independent evaluation offices and other staff from GCF partner agencies will participate and learn more about good evaluation practices and methods.
- (b) Engage leading climate change and evaluation experts globally and build an active network which supports high quality evidence related capacity and joint-evaluations.
- (c) To ensure complementarity and coherence, the IEU will establish and support close relationships with the independent evaluation units of intermediaries and implementing entities of the GCF.⁹

⁸ These agencies include the HQAI, GGGI, CIFF, Behavioral Insights Unit, Global Data Pulse Lab, Campbell Collaboration and Collaboration for Environmental Evidence.

⁹ The IEU has been approached by the Climate Investment Funds as well as the Development Impact Evaluation Initiative unit of the World Bank in this regard.

II. IEU Budget for 2018

8. The 2018 budget for the IEU is shown in Table III. A large part of the budget covers activities that were requested in 2017 and budgets for which were approved in 2017 (September 2017). However, as a result of delays in approval (IEU's 2017 budget was only approved on the 21st of September 2017) and in procurement processes, these activities will be undertaken in 2018. The budget covers the following items:

9. Staff: The budget item covers the salaries of staff, including the Head of the IEU and a team assistant both of whom are in office. It is expected that the IEU will have eight staff members by the end of 2018 including one administrative assistant to support the work streams presented at B.16.

10. ¹ The IEU will undertake on average four evaluations at least every year. In 2018, the IEU will lead and manage three key evaluation activities. These include one programmatic evaluation (the readiness evaluation), project level real-time assessments (under its programme called 'Learning Oriented Real Time Assessments or LORTA) and a lessons learnt from the use of GCF's results framework. IEU staff will be responsible for delivering the three work streams of the Unit and will participate in IEU led evaluations, its capacity strengthening and advisory work.² Given the length of time it takes to hire good staff and for selected candidates to move to Songdo, the IEU will work with consultants to ensure that its work plan is not interrupted.

11. Consultants: The GCF Board approved consultants for the IEU in 2017. Because of the length of time that procurement takes, only one of these could be brought on in 2017. Two consultants will work to help produce the Independent Evaluation Policy (one is already on board and another one will come on board in February 2018). Two consultants will review the current application and use of GCF's Results Management Framework (one of whom came on board in January and another will be hired by March.) One consultant helps the IEU in communication and building content for its website. Now that procurement processes are finally concluding, the IEU will be able to undertake the work that was planned in 2017. In 2018, to ensure that IEU is adopting state of the art methods in its evaluations, the IEU will also contract two experts in short term consultancies to work on these methods. It is important to note that the IEU is in its initial stages and consultants are required to work closely with the head of the IEU to undertake preparatory work for evaluations and produce key outputs for the IEU. As the IEU staff come on board, the number of these consultants are expected to reduce.

12. Travel: In 2018, travel will be undertaken as part of three main evaluation activities that the IEU will lead. These include one programmatic evaluation (the readiness evaluation; which was planned for in 2017 but the search process could not be concluded), project level real-time assessments and review and lessons learnt (under LORTA) and lessons learnt from the current application of GCF's results framework. IEU staff will also train and strengthen capacity amongst the GCF Secretariat, accredited entities, implementing agencies and other GCF stakeholders to ensure that evaluations delivered to the GCF are of good quality. IEU will train 20 staff from GCF accredited entities in high quality evaluations. Travel budget accounts for their travel. To be cost-effective, the IEU will take advantage of opportunities and physical conference space provided by conferences planned by other agencies to train these staff.

13. Professional services: In 2018, the IEU will lead and manage three key evaluation activities. These include one programmatic evaluation (the readiness evaluation), project level real-time assessments and review (under LORTA) and a lessons learnt from the current use of GCF's existing results framework. The IEU will contract firms to work with it, to undertake the

¹ Decision B.16/07

² Decision B.16/07

evaluations. The IEU will also produce two evaluation maps (one of which was approved at B.16) that consolidate, illustrate and summarize evaluation-evidence in two areas relevant to the GCF.

14. Other costs: Other costs include costs incurred for producing videos, subscriptions to journals, and web-site related costs. Since the IEU is a new unit, a small budget amount for infrastructure and other set up costs has also been included.

Table III: Budget for the Independent Evaluation Unit (2018)

| Category | 2018 |
|--------------------------|------------------|
| Staff costs* | 1,583,667 |
| Consultants/Intern costs | 492,200 |
| Travel | 183,000 |
| Professional Services | 630,000 |
| Other operating costs | 65,000 |
| Total | 2,953,867 |

* This was approved in interim by the GCF Board in decision B.BM-2017/13.

III. Policies and procedures for the independent operation of the IEU

15. To ensure predictability and the ability to plan, the IEU conducted a survey of best practices amongst international organizations. Table IV shows the budgets for independent evaluation offices of five international organizations.

16. The IEU presented a discussion draft to the co-chairs for consideration titled 'Policies and Procedures for the Independence and effective functioning of the Independent Evaluation Unit' in July 2017. This document will be submitted to the Board for consideration at B.21.

Table IV: Budgets of select Independent Evaluation Offices

| No. | Organization | Average Annual Evaluation Office budget (US\$) | Office budget percentages |
|-----|---|---|---|
| 1. | WB – Independent Evaluation Group (IEG) | 33.6 million ¹ | 1.5 – 2% of overall budget |
| 2. | GEF – Independent Evaluation Office (IEO) | 4.75 million | A percentage of the annual financial work plan ² |
| 3. | IADB – Office of Evaluation and Oversight (OVE) | 6.8 million | 1.5% of the IADB's administrative budget |
| 4. | ADB – Independent Evaluation Department (IED) | 11 million | 1.7 – 1.8% of the ADB's budget |
| 5. | UNDP – Independent Evaluation Office (IEO) | 7.9 million. Additionally, the decentralized evaluation budget is \$ 18 million | 1% of the organization's budget |

Sources: 1: Caroline Heider, head of the Independent Evaluation Group of the World Bank; 2: Juha Uitto, Director and head of the independent evaluation office of the GEF; 3: Cheryl Gray, Director, Office of oversight and evaluation, Inter American Development Bank (IDB); 4: Vinod Thomas, ex- Director General of the Independent Evaluation Department of the ADB; 5: Indran Naidoo, Head of the Independent Evaluation Office, UNDP. The budgets were also discussed with the head of the IEU's advisory group.

Appendix I: An outline of the Independent Evaluation Policy

Contents

- I. Purpose, status, scope of the policy
 - a. The role that evaluation can play in learning and accountability
 - i. The paradigm shift goal and the role of accountability and learning
 - ii. Balance between accountability and learning
 - b. The mandate of the Fund and the challenge it presents
 - i. Methodological challenges of M&E for climate change
 - ii. Balance between tailored versus standardized approaches and indicators
 - iii. Cross-cutting themes (e.g. gender, poverty reduction, rights-based approaches, good governance)
 - iv. Co-benefits and overlap between climate change and other sustainable development aims
 - c. The theory of change of the IEU
 - i. Learning and filling evidence gaps
 - ii. Accountability
 - iii. Capacity building and advice
 - iv. Producing trusted, independent and credible evidence
 - v. Synthesizing evidence and informing use for effective and efficient decision-making

- II. Evaluation Principles
 - a. Principles of evaluation
 - b. Types of evaluations and their advantages and disadvantages, and appropriate uses

- III. Monitoring and evaluation at the GCF
 - a. Roles and responsibilities: routine monitoring and management of programs; role of the Independent Evaluation Unit versus other departments;
 - b. Use of headline indicators
 - c. IEU support to GCF divisions and Independent Units
 - d. Supporting GCF stakeholders and accredited entities at inception to ensure high quality evaluations

- IV. Ensuring the potential for high quality evaluation at entry:
 - a. Basic requirements overall
 - b. Basic requirements for mitigation programs
 - c. Basic requirements for adaptation programs
 - d. Distinguishing requirements between public and private sector programs

- V. Evaluation criteria, procedures and minimum requirements for different types of learning-oriented evaluations

- VI. IEU/GCF evaluation architecture
 - a. Evaluation related work stream
 - b. Learning, advisory and impact evaluation work stream
 - c. Capacity building work stream

- d. Engagement, communication and uptake work stream
- VII. Implementation of the Evaluation Policy
- a. Goals of the IEU
 - b. Building capacity at different levels
 - c. Requirements for accredited entities
- VIII. Ensuring uptake and use
- a. Using evaluations for learning for diverse audiences
 - b. Building capacity and advisory work
 - c. Presenting, disseminating, and communicating findings to internal and external stakeholders (including non-technical and low-capacity audiences)
 - d. Other innovative methods
- IX. Next steps: Building requirements, an operational manual, guidelines and translating guidance into action
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