

## **Annex II: Performance Evaluation System for Board-Appointed Officials**

### **I. Background**

1. The Board decision GCF/B.22/21 Annex I created the Performance Oversight Committee (POC) to assist the Board in carrying out the performance evaluation oversight for the Executive Director (ED) and Heads of Independent Units (HoUs) - together referred to as “Board Appointed Officials”.
2. This document defines the Performance Evaluation System for Board-Appointed Officials, namely the ED and HoUs, taking into consideration the GCF Secretariat Administrative Guidelines for Performance Evaluation and incorporating a 360-feedback survey based on best practice from relevant multilateral development banks and international organizations.

### **II. Purpose and scope**

3. The main purpose of any performance evaluation system is to encourage regular, honest dialogue between staff and line managers about their performance. Any system should be designed to align individual requirements to business needs, set priorities, provide an objective assessment of the current level of performance, and highlight areas for further development to enable individuals to reach their full potential.
4. The performance evaluation system for the Board-Appointed Officials of the Green Climate Fund (Fund) aims to recognize individual contributions to the Fund’s goals and objectives while seeking to address any learning and development needs while working at the Fund.
5. To effectively manage the performance of Board-Appointed Officials and support the implementation of the methodology and processes set forward in this document, the creation of a Supervisor role is needed. As Board-Appointed Officials report to various Committees and Board Members for the execution of their work, the POC would benefit from nominating “supervisors” who will ensure ongoing communication and feedback, and who would support an effective performance evaluation system for Board-Appointed Officials. Looking at the existing relationships between incumbents and the Board, the Co-Chairs will assume the supervisor role for the Executive Director (ED) and Head of the Independent Evaluation Unit while 2 Representatives (both developed and developing country constituencies) of the Ethics and Audit Committee (EAC) will assume the Supervisor role for the Heads of the Independent Integrity Unit (IIU) and Independent Redress Mechanism (IRM). The Supervisor(s) will therefore assist the POC in monitoring performance of the ED and the Heads.
6. Any performance evaluation system will not be by itself sufficient to create an effective working relationship between the POC and Board-Appointed Officials. As such, the proposed formal meetings for performance reviews included in this performance evaluation system are not intended to substitute regular communication and feedback between the Board and Board-Appointed Officials.
7. The Board decision B.17/12, annex X, provides the guiding principles and methodology for the performance evaluation of the ED, which is being recommended to form the basis of this performance evaluation system for Board-Appointed Officials.
8. Based on the point above, the performance evaluation system should consider qualitative and quantitative feedback using multiple methods, will may include self-assessment, mid-year and end of year performance discussions and an annual 360-degree feedback.

### III. Objectives and Performance Standards/Performance Criteria

9. Based on the Board decision B.17/12, the approved Performance Criteria for the ED to be applied to all Board-Appointed Officials are the following:

- (a) Strategic Leadership and Delivery;
- (b) Organizational Capacity;
- (c) Administrative Matters;
- (d) Support to the Board; and
- (e) Relationship with stakeholders.

10. Based on the Performance Criteria above the Board-Appointed Officials will develop and with their respective Supervisor(s) a set of Key Performance Indicators (KPIs) which clearly aligns with GCF Strategic Objectives.

11. These KPIs should fulfil the following SMART criteria:

- (a) Specific: be clear about what each KPI will measure and why it's important;
- (b) Measurable: KPI must be measurable to a defined standard;
- (c) Achievable: the incumbent must be able to deliver on the KPI;
- (d) Relevant: KPI must measure something that matters and improves performance; and
- (e) Time-Bound: it is achievable within an agreed time frame.

12. To ensure that KPIs are well designed, the following questions should be addressed:

- (a) What is the organization's vision? What is the strategy for achieving that vision?
- (b) Which metrics will correctly demonstrate that the incumbent is successfully pursuing the vision and strategy?
- (c) How many metrics should there be?
- (d) What will be used as a benchmark?

13. Based on best practice on KPI development and evaluation, it is advisable to avoid having too many KPIs and ensure to communicate KPIs clearly to everyone concerned, manage data collection carefully and support people to achieve the outcome expected.

### IV. Performance Evaluation Cycle

14. The performance evaluation cycle for the Board Appointed Officials align with GCF Secretariat performance evaluation cycle for staff: 1 Jan – 31 Dec.

15. The performance evaluation system is carried out in the form of 3 stages of the Annual Performance Evaluation Cycle outlined in Table 1 below and will be complemented by a 360-degree feedback survey for developmental purposes, which is expected to be carried out between July and December.

**Table 1: Annual Performance Evaluation Cycle**

Responsibility	Activity	Timeline
POC/Supervisor	Activity design and preparation process	December
Draft: ED/ HoU Endorsed: Supervisor Approved: POC	<div style="border: 1px solid black; padding: 2px; display: inline-block;">Review &amp; correct</div> → Prepare work plan & development plan	January
ED/ HoU	Implement work plan & development plan	January – June
ED/ HoU Review: Supervisor	Mid-Year Review	July
	<div style="border: 1px solid black; padding: 2px; display: inline-block;">No</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; width: 150px;">Core activities are implemented?</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; width: 50px; float: right;">Yes</div>	
ED/ HoU	Implement work plan & development plan	August - December
Self-assessment: ED/ HoU Review: Supervisor Approved: POC	Complete End of Year performance assessment	October – November OR 12 weeks before the end of Appointment
	<div style="border: 1px solid black; padding: 2px; display: inline-block;">No</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; width: 150px;">KPIs &amp; core activities achieved?</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; width: 50px; float: right;">Yes</div>	
POC	Communicate results and recommendations for further action	December

16. The POC will ensure the effective implementation of the performance evaluation system. The GCF Secretariat will support the activities of the POC. All documentation shall be completed and submitted to HR for effective records evaluation.

## V. Stages

### Stage 1 – Planning

17. The performance evaluation process will start with the establishment of personal work plans consistent with the Work Programme for the Secretariat and linked to the performance criteria areas indicated in Section 3 above. This Planning stage will be done in December prior to the start of the performance evaluation cycle in January. Adequate templates for setting Work Plans and Development Plans are developed and used for conducting the tasks.

#### *Work Plans*

18. At the beginning of the performance evaluation cycle, the Board-Appointed Officials shall meet with their agreed supervisors to ensure the development of work plans are closely related to organizational goals and unit work plans.

19. The workplans must include results-oriented objectives, actions required to be undertaken to achieve such results, desired outputs and an expected timeline for each objective set forward. There should not be more than five objectives per each performance cycle.

20. The work plans shall be agreed with supervisor and approved by the POC.

21. The work plans can be updated as appropriate in response to organizational changes and externalities.

#### *Development Plans*

22. The development plans aim to identify learning and development needs that will enable staff to succeed in their posts. These could be addressing a skills gap, updating existing skills, or developing new competencies required to perform their work and in support of their long-term career plans.

23. The Board-Appointed Officials are expected to develop, in consultation with supervisors, an annual personal development *plan* with a maximum of three learning objectives aiming to address a skills gap, improve an existing skill, or acquire a new skill that will contribute to career development.

### Stage 2: Mid-term review

24. Apart from regular communication throughout the year between Board-Appointed Officials and supervisors, it is important to host a formal meeting halfway through the performance evaluation cycle (July). This will allow both the incumbent and the supervisor to discuss the progress made by the individual against the initial agreed work plan and development plan, identify obstacles and ways to overcome them, as well as make any adjustments that seem reasonable. This structured meeting will also provide the opportunity for acknowledgement of progress made in demonstrating or strengthening the skills and competencies agreed, and the need to put in place strategies to correct any performance issues to date.

### Stage 3: End of Year Performance Assessment

#### *Performance review*

25. By November each year or 12 weeks before the end of the incumbent's contract, the Board-Appointed Officials will prepare a self-assessment against the work plan and personal

development plan. This will include short descriptions of the achievements made against the objectives with evidence of the individual accomplishments, including any means of verification. The self-assessment will form the basis for the performance review between the Board Appointed Official and their supervisor.

26. Following the self-assessment by the individual under consideration, the supervisor shall complete a draft evaluation based on the extent to which the Board-Appointed Official has achieved the proposed work plan objectives and KPIs. The combined self and supervisor assessment shall be provided to the assessed in preparation for the performance review discussion.

27. This discussion aims to consider the overall performance within the performance review period. This should also present an opportunity to review Terms of Reference of the incumbent to ensure that these are up to date and reflect the expectations on the role and evolving nature of the work at the Fund.

#### *360-degree feedback survey*

28. Complementary to the performance review, the POC will conduct a 360-degree feedback survey which would gather feedback from a range of sources, including peers, direct reports, senior colleagues and other relevant stakeholders. This variety of valuable feedback will offer wide-ranging perspectives and can facilitate the discussion of strengths and development areas in a holistic manner.

29. Given that GCF is seeking to introduce 360-degree feedback methodology in the organization to provide a broader base of input and offer a more holistic perspective of performance for development purposes, the patterns and themes emerging from such a survey will feed into the discussion regarding a personal development plan between the Board Appointed Official and their supervisor.

30. Upon the completion of 360-degree feedback, data will be analyzed and aggregated to generate an individual report. Feedback to the incumbent regarding what emerged as personal strengths and potential development areas should be provided by a trained consultant, who will highlight themes and patterns.

31. The Board-Appointed Official will use this information to complete a first draft of a personal development plan.

**Table 2:** End of Year Performance Assessment

Responsibility	Activity	Timeline
	Implement personal development plan	
ED/ HoU	Implement work plan	
	Self-assessment	October – November OR 12 weeks before the end of Appointment
Supervisor	Supervisor(s) complete appraisal	November OR 8 weeks before the end of Appointment
ED/ HoU	Review forward to ED/HOU for comments	
	Review forward to POC for approval	
POC/ Contracts Administration	Follow-up as required	December OR 6 weeks before the end of Appointment

## VI. Rating system

32. The following rating system is in line with GCF Performance Evaluation System for Staff, as it will provide an easy correlation with overall performance evaluation at GCF and related pay performance increases.

33. When analyzing the achievements made by the Board-Appointed Officials against performance expectations and the work plan (including KPIs), one of the four rating categories for each of the objectives will apply:

- (a) Exceeds expectations: The incumbent has achieved beyond the performance expectations both in quality and quantity for the majority of the agreed objectives;
- (b) Successfully meets expectations: The incumbent has achieved the performance expectations for the majority of the agreed objectives within the performance cycle;
- (c) Partially meets expectations: The incumbent meets some of the performance expectations for some of the objectives but demonstrates potential to develop the required skills;
- (d) Does not meet expectations: The incumbent does not meet the performance expectations for the majority of the objectives.

34. Performance review ratings will be used for each year as an input for the performance related pay increase applicable as per approved guidelines in annex III.

35. Regarding the personal development plan, the ratings given for identified objectives will be the following:

- (a) Met: The incumbent has successfully achieved the development objective by demonstrating the application of the skills, knowledge or competency;
- (b) Partially met or not met: The incumbent has not been able to achieve the development objective. This rating should provide the reasons why this has not been met with a concrete plan to ensure its completion is prioritized or an alternative action is identified.

## **VII. Roles and responsibilities**

### **Board-Appointed Officials**

- (a) Initiate and take responsibility for personal work plans and development plans;
- (b) Ensure progress reports highlighting obstacles and recommends solutions;
- (c) Initiate self-assessment at mid-year review and end-of-year performance assessment against TOR and work plan; and
- (d) Maintain regular and pro-active communication with supervisor seeking clarification on individual performance expectations.

### **Supervisor(s)**

- (a) Develop the work plans and development plans with the Board-Appointed Officials;
- (b) Maintain regular communication with Board-Appointed Officials providing ongoing feedback and support;
- (c) Review progress reports, assesses obstacles and agrees on solutions; and
- (d) Conduct mid-year and annual performance reviews.

### **Performance Oversight Committee**

- (a) Set performance criteria for Board-Appointed Officials;
- (b) Oversee effective management of Performance Evaluation System;
- (c) Coordinate administrative works related to the Performance Evaluation and Performance-Related Pay Systems with the support provided by the external HR firm;
- (d) Approve the work plans and development plans for the performance year;
- (e) Endorse any developmental measures following supervisors recommendations;
- (f) Approve the final rating regarding the Performance Reviews of Board-Appointed Officials; and
- (g) Approve the Performance Related Pay increases.

### **HR-GCF Secretariat**

- (a) Provide support to supervisors and POC members in managing calendars and records management.