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**GCF/B.19/07**

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# 2018 Work Plan and Budget and Three-year Rolling Work Plan of the Independent Evaluation Unit

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## Summary

This document summarizes key elements of the work plan and budget of the Independent Evaluation Unit (IEU) for 2018. This document contains three main elements that were promised at B.16: (1) Key elements of the IEU's three-year rolling work plan; (2) Key elements and budget of the IEU's annual (2018) work plan and budget; and (3) An outline of the independent evaluation policy. The Board is requested to consider and approve a non-staff budget of USD 3,573,867 for FY2018. A draft decision for the Board's consideration is presented in annex I.

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## I. Introduction

1. This document is organized as follows:
  - (a) Annex I presents a draft decision for the Board's consideration.
  - (b) Annex II presents the objectives and activities of the IEU's rolling three-year workplan<sup>1</sup>
  - (c) Annex III lays out the IEU's 2018 work plan and its 2018 budget
  - (d) Appendix I presents an outline of the Independent Evaluation Policy
2. An update on the IEU's activities over the period 1 March to 31 December 2017 is provided in document GCF/B.19/16<sup>2</sup>2018

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<sup>1</sup> Op. cit.

<sup>2</sup> Decision document GCF/B.06/Annex III

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## Annex I: Draft decision of the Board

The Board, having considered document GCF/B.19/07 titled “2018 Work Plan and Budget and Three-year Rolling Work Plan of the Independent Evaluation Unit”:

- (a) Approves the overall objectives of the IEU as articulated in its rolling three-year work plan as laid out in annex II and recommends that it be updated annually to ensure flexibility, learning and predictability for the IEU;
- (b) Approves the work plan and budget of the Independent Evaluation Unit for 2018 as contained in document GCF/B.18/16 and annex III (amount of 3,573,867 USD), respectively;
- (c) Requests that the IEU discuss norms for a standardized budget to ensure independence and present this at B.21.

## Annex II: The IEU's three-year objectives and work plan

1. Overall objectives of the IEU are derived from the Governing Instrument. These include:<sup>3</sup>
  - (i) Informing the decision-making of the Board, identifying and disseminating lessons learned, contributing to guiding the Fund and stakeholders as a learning institution, and providing strategic guidance;
  - (ii) Conducting periodic independent evaluations of the Fund's performance to provide an objective assessment of the Fund's results and the effectiveness and efficiency of its activities; and
  - (iii) Providing evaluation reports to the Conference of Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC) for purposes of periodic reviews of the financial mechanism of the Convention.
2. The IEU's principal aims for the period 2017-2020 are summarized below. Objectives and activities associated with these aims are summarized in Table I.
  - (a) **Build the IEU and complete staffing:** A important objective for the IEU is to ensure that the IEU is adequately staffed so that it can deliver its work plan, including its overall learning and accountability objectives. Staff at the IEU will reflect the best standards in evaluative training, practice, theory and ethics. The IEU will be a well-managed unit. The IEU will also ensure that its vision and practices are adequately shared, internally and externally, and that the IEU's strategy, independent evaluation policy and procedures for functioning and governance are properly articulated (see Annex III).
  - (b) **Undertake and deliver high quality evaluations:** The IEU will undertake strategic high-quality performance, portfolio, thematic, country, programmatic and project evaluations that are identified by the IEU and are useful for the Board, the GCF Secretariat and the COP.<sup>4,5,6</sup> They will also serve as building blocks for fund-level evaluations that assess the effectiveness and efficiency of the GCF and will contribute to the replenishment process. The IEU will deliver at least four evaluations each year. Details of these evaluations are presented in Annex III. The IEU will also review the GCF's results-based framework and performance framework and provide recommendations to the Board. It will also support a learning-oriented real-time impact assessment (LORTA) window that will support real-time learning within the GCF through real-time assessments.<sup>7</sup>

<sup>3</sup> Also, see Decision document GCF/B.06/Annex III

<sup>4</sup> Decision B.06/09/Annex III

<sup>5</sup> Decision B.06/09/Annex III

<sup>6</sup> All evaluations will be comprised of four phases: During Phase I, a pre-scoping exercise will be undertaken which will include a review of key documents and a field visit (if required). This will result in finalizing the terms of reference of the evaluation. In Phase II, an appropriate team will be put together (or assembled), consisting mainly of IEU staff in keeping with international best practices. Consultants will be pulled in (or contracted) especially during the early stages of the IEU's evolution(or expansion) when staffing may be a concern. Consultants will also be pulled in for specific thematic, sector or geographic expertise. Key outputs during Phase II will be a team with an IEU evaluation leader and an approach paper for the evaluation. In Phase III, engagement will occur with primary stakeholders, data collection, data analysis and document review. A draft evaluation report will be drawn up. Phase IV will include engaging with primary stakeholders to share emerging results, verify emerging conclusions and build sensitivity and an understanding of the conclusions. The draft will also be shared with evaluands for fact checking. At the end of Phase IV, the final evaluation document will be shared with the Board. After the evaluation is presented, dissemination and communication will be an important follow-up action.

<sup>7</sup> Decision B.06/09/Annex III

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- (c) **Build and deliver an evaluation-based learning, advisory and capacity strengthening programme:**<sup>8</sup> The IEU's evaluation-based learning and capacity building programme will respond to evaluation-related capacity needs of the GCF Board, Secretariat, accredited entities, NDAs, and other stakeholders in the evaluation and climate change space.<sup>9</sup> The IEU will work towards ensuring that programmes and activities funded by the GCF maintain sufficient quality in terms of data, design and information to inform evaluations.
- (d) **Engage strategically to learn, share and adopt best practices in the climate change evaluation space:** The IEU will engage with key actors in the evaluation space and be at the forefront of evaluation practice and theory while collaborating with GCF stakeholders and involving them in the IEU's activities.<sup>10</sup> It will adopt high quality methods and standards for evaluative evidence in the climate change space. Accordingly, it will build partnerships to leverage geographic presence, thematic expertise, and capacities to help with the IEU's other objectives in the context of capacity building, particularly with GCF partners, accredited entities, NDAs and focal points as well as other evaluation related staff in partner organizations. This will also contribute to building the IEU's niche and its reputation as a leader in the evaluation and learning space, which is synonymous with quality and credibility.

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<sup>8</sup> Decision B.06/09/Annex III/23 and Decision B.10/05/Annex V

<sup>9</sup> Decision B.06/09/Annex III/2 (a), 6, 7, 9, 16, 19, 21, 22, 23 and B.10/05/Annex V/15

<sup>10</sup> B.06/09/Annex III/10 and 11 and B.10/05/Annex V/ 5, 8, 9, 14, 15, 16

**Table I: Aims, objectives and key outputs of the IEU's rolling three-year work plan**

NO.	AIM	OBJECTIVES	OUTPUTS
1.	<b>Build the IEU and complete staffing<sup>11</sup></b>	<p>1a. Ensure that the IEU is completely staffed to meet its objectives of accountability and learning.<sup>12</sup></p> <p>1b. IEU's policies and standards are well-articulated and understood.</p> <p>1c. Procedures and guidelines for the effective operation of the IEU are specified and IEU budgets and work plans are approved in a timely manner.</p>	<ul style="list-style-type: none"> <li>The IEU is fully staffed with an emphasis on building high quality evaluation and thematic capacity.</li> <li>Terms of reference for the IEU's four work streams are widely disseminated and high functioning staff hired competitively at the IEU.<sup>13</sup></li> <li>The IEU is well-managed and personal performance and professional development plans for all IEU staff are articulated.</li> <li>An orientation package for new staff including processes and procedures is piloted and finalized.</li> <li>An Independent Evaluation Policy is produced.</li> <li>Guidelines and standards are developed to reflect the policy.</li> <li>Awareness is generated among GCF staff and NDAs, AEs and others to ensure this policy and set of guidelines and standards are properly applied.</li> </ul> <ul style="list-style-type: none"> <li>The IEU's vision and strategy are finalized and shared with all IEU staff.</li> <li>The IEU's governance guidelines and procedures to ensure the independence and effective functioning and operation of the IEU, in keeping with international best practices, is submitted to the GCF Board, and are updated as required.<sup>14</sup></li> </ul>

<sup>11</sup> Decision document GCF/B.06/Annex III "...the evaluation function should be located independently from other management functions" and Annex V to Decision B.10/05/(k) 'The Head of the IEU ...is responsible for leadership and management of the unit, including the authority to make appointments and manage staff of the unit.'

<sup>12</sup> Decision B.08/07/Annex IX and Decision B.10/05/(k)/Annex V

<sup>13</sup> Decision B.16/07

<sup>14</sup> GCF/B.06/Annex III

NO.	AIM	OBJECTIVES	OUTPUTS
2.	<b>Undertake and deliver high-quality evaluations to the GCF Board</b>	<p>2a. Carry out strategic high-quality performance, portfolio, thematic, country, programmatic and project evaluations annually that are useful to the Board, the GCF Secretariat and the Conference of Parties and are able to provide an independent assessment of the Fund's operations.<sup>17</sup></p>	<p>• A rolling three-year plan, budget and an annual work plan is presented every year to ensure certainty in planning and delivering high quality evaluations.<sup>15</sup></p> <p>• An IEU annual report is produced and disseminated every year, commencing in 2018.<sup>16</sup></p> <p>• The IEU will carry out at least four evaluations annually. Evaluations will be selected from the following list and their timing will depend on advice from the GCF Board. Other evaluations may also be identified depending on the accountability and learning needs of the GCF Board.</p> <p>• <i>Performance evaluations and reviews:</i> Possible evaluations include examining the extent to which the accreditation process and the project approval processes of the Secretariat have delivered relevant results for the GCF. To what extent has the GCF secretariat been successful in promoting country ownership through its processes?<sup>18</sup></p> <p>• <i>Portfolio evaluations and reviews:</i> Potential evaluations include the extent to which the GCF portfolio has responded to the adaptation and mitigation goals for the LDC group of countries; Is the GCF meeting the needs of SIDs as determined by their NDCs, effectively and efficiently?</p> <p>• <i>Thematic evaluations and reviews:</i> Possible evaluations include assessing the GCF's effectiveness and efficiency in engaging with the private sector; and, assessing the GCF's effectiveness, performance and efficiency while delivering its adaptation, mitigation and REDD+ related objectives.</p> <p>• <i>Country portfolio evaluations and smaller project and programmatic</i></p>

<sup>15</sup> GCF/B.06/Annex III

<sup>16</sup> B.06/09/Annex III

<sup>17</sup> Decision B.06/09/Annex III

<sup>18</sup> Decision B.06/09/Annex III/14

NO.	AIM	OBJECTIVES	OUTPUTS
		<p>2b. Undertake high quality <i>overall</i> performance evaluations of the GCF including (but not restricted to) an overall assessment of results, efficiency and effectiveness to inform the replenishment process.<sup>19</sup></p>	<p><i>evaluations:</i> The IEU's project and programmatic evaluations will focus on topics where there is insufficient evaluation-related evidence globally and where it is especially important to demonstrate the transformational potential, effectiveness and efficiency, scalability and replicability at the project and programmatic level.</p> <ul style="list-style-type: none"> <li>The IEU will also undertake overall performance evaluations as required by its TORs.<sup>20</sup></li> <li>The IEU will also deliver the following at a date determined by the GCF Board:             <ul style="list-style-type: none"> <li>(1) Provide evaluation reports to the Conference of Parties to the United Nations Framework Convention on Climate Change and the Paris Agreement for the purposes of periodic review of the Financial Mechanism of the Convention.<sup>21</sup></li> <li>(2) An overall assessment of the Fund's results and the effectiveness and efficiency of its activities.<sup>22</sup></li> </ul> </li> </ul>
		<p>2c. Review of the results management and performance measurement framework is successfully completed and a real-time learning-oriented impact evaluation project</p>	<ul style="list-style-type: none"> <li>Provide recommendations based on international evidence and best practices for improving the GCF's results management framework and performance measurement framework.<sup>23</sup></li> <li>The IEU will support a learning-oriented real-time impact assessment (LORTA) window that will promote learning in real-time. In the pilot</li> </ul>

<sup>19</sup> Decision B.06/09/Annex III

<sup>20</sup> B.06/09/Annex III and B.10/05/Annex V

<sup>21</sup> The Conference of Parties to the UNFCCC provides the following guidance on the function of the IEU: "The reports of the GCF should include any reports of the independent evaluation unit, including for the purposes of the periodic reviews of the financial mechanism of the Convention" (UNFCCC decision 5/CP19, annex, paragraph 20)

<sup>22</sup> B.06/09/Annex III: 'Should the COP commission an independent assessment of the overall performance of the Fund, the IEU would support the work involved in such assessment. An overall performance study would become a responsibility of the IEU, as has been the case with the Global Environment Facility (GEF) Evaluation Office since 2007.'

<sup>23</sup> GCF/B.06/Annex III

NO.	AIM	OBJECTIVES	OUTPUTS
3.	<b>Build and deliver an evaluation-based learning, advice and capacity strengthening program</b>	<p>portfolio is prepared.</p> <p>3a. Ensure programs and activities funded by the GCF maintain sufficient quality in terms of data, design and information to inform evaluations.</p> <p>3b. Synthesize evaluative evidence from international experience and GCF related evaluations to benchmark and inform evaluations in GCF result areas, inform results</p>	<p>window, it will work with 4-6 projects that can effectively demonstrate this learning which will provide insights to the Secretariat in real time.</p> <ul style="list-style-type: none"> <li>• The IEU will build awareness on the uses of evaluations and strengthen appropriate systems/institutional and human capacity for evaluative evidence and evidence-based policies.</li> <li>• It will build and deliver customized workshops and dissemination products to ensure learning and uptake for this objective. The IEU will work closely with appropriate GCF staff, accredited entities, and other stakeholders in this regard.</li> <li>• The IEU will provide evidence-based recommendations on projects/programmes of activities to improve the ability of the IEU to provide quality evaluations of the Fund's activities. It will also work to ensure that they are reflected in funded activities agreements and proposals.<sup>24</sup></li> <li>• Furthermore, through LORTA, the IEU will support high quality data and assessments which will enable the GCF and its stakeholders to learn about and generate high-quality, credible evaluations that <i>measure attributable change</i> in GCF result areas.</li> <li>• The IEU will deliver a plan for capacity building and learning through evaluations at B.21.</li> <li>• The IEU will build a database of evaluative evidence and synthesize learning through evidence gap maps and systematic reviews.</li> <li>• The IEU will support systematic reviews and meta-syntheses of evaluative evidence relevant to GCF result areas.</li> </ul>

<sup>24</sup> B.06/09/Annex III

NO.	AIM	OBJECTIVES	OUTPUTS
		<p>and performance frameworks and help prioritize evaluations and evaluation-related research using state-of-the-art methods.<sup>25</sup></p> <p>3c. Provide inputs to improve the results-based framework and performance framework of the GCF.<sup>26</sup></p>	<ul style="list-style-type: none"> <li>• The IEU will conduct retrospective theories of change exercises to inform the results framework and the performance measurement framework of the GCF as well as the independent evaluation policy.</li> <li>• It will provide evidence-based recommendations by analysing reporting templates and engage with accredited entities and other stakeholders to provide evidence-based recommendations on designs to ensure high quality, credible reporting and evaluations.</li> <li>• The IEU will also work on developing state-of-the-art methods to inform and build evaluations led by the IEU. To this end, it will review international best practices in policy evaluation, methods and indicators and use them to attest and benchmark the quality of GCF self-evaluations conducted by the Secretariat and provide recommendations for the results management framework and the performance measurement framework.<sup>27</sup></li> </ul>
		<p>3d. Build capacity for undertaking evaluations, understanding standards and methods, within the Secretariat and GCF stakeholders and use innovative ways to ensure</p>	<ul style="list-style-type: none"> <li>• The IEU will build innovative products to ensure learning and the uptake of evaluative evidence. Accordingly, the IEU will train, share and build capacity for undertaking evaluations within the Secretariat and collaborate to build capacity and awareness within AEs and NDAs;</li> <li>• The IEU will build customized workshops, engage with other agencies and trainers to develop training modules and matchmaking teams for</li> </ul>

<sup>25</sup> Decision B.10/05/Annex V/ 14 and 15

<sup>26</sup> Decision B.06/09/Annex III

<sup>27</sup> Annex III to decision B.06/09

NO.	AIM	OBJECTIVES	OUTPUTS
		this. <sup>28</sup>	<p>programme and project evaluations.</p> <ul style="list-style-type: none"> <li>The IEU will also build training modules and train GCF stakeholder staff including staff from intermediary agencies to bring them up to speed on state-of-the art methods for evaluating the Fund's activities.</li> <li>It will also collaborate with universities and other agencies to build these customized courses.<sup>29</sup></li> </ul>
		The IEU will be at the forefront of methods and climate science and establish the IEU as a global leader in the field. <sup>30</sup>	<ul style="list-style-type: none"> <li>The IEU will support methods-related work relevant to the GCF's result areas and evaluations that harness complexity science and new measurement methods. This includes commissioning methods papers, briefs, and reviews, supporting knowledge hubs and supporting relevant conferences, workshops, methods labs and learning clinics.<sup>31</sup></li> </ul>
4.	<b>Engage strategically to learn, share and adopt best practices in the climate change evaluation space</b>		
		4a. The IEU will increase its engagement with key actors in the international evaluation space and collaborate with GCF partners, accredited entities, NDAs and focal points and staff in partner organizations to leverage their presence and capacities to help with IEU's other objectives.	<ul style="list-style-type: none"> <li>Will use international engagements to deliver customized awareness building workshops on evaluation vision and techniques that showcase high quality evaluation methods and standards to GCF stakeholders;</li> <li>Communication products conveying the key messages from evaluations; and,</li> <li>Formal partnership agreements with networks and organizations to leverage their presence for capacity building amongst GCF stakeholders.</li> </ul>

<sup>28</sup> Decision B.06/09/Annex III/ 21, 23

<sup>29</sup> Incheon National University has already been in contact with the IEU. Yonsei University has also shown early interest. The IEU has also been in contact with the UNDP IEO, GEF IEO and Claremont University. Other institutions include the Evaluators Institute, IPDET, and UNISDR as well as relevant offices of accredited entities in which the IEU will build collaborative partnerships with, to build capacity amongst GCF stakeholders with regard to conducting and participating in evidence-based evaluations.

<sup>30</sup> Decision B.10/05/Annex V/8

<sup>31</sup> GCF/B.05/03/ Annex I

## Annex III: 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

2. Key elements of the work plan are as follows. A timeline is presented in Table II.
3. **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) Work on the Independent Evaluation Policy will commence and a draft will be circulated at B.21.
  - (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.
4. **Evaluation:** The IEU will undertake four 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.<sup>32</sup>
  - (b) A portfolio review of the GCF's adaptation programming: The IEU will examine the GCF's adaptation portfolio and will understand the extent to which the portfolio addresses country needs especially of the LDCs and the SIDS. This will also help provide the GCF Board independent and strategic guidance on adaptation programming and priorities.<sup>33</sup>
  - (c) Real-time project evaluations: The IEU will pilot a learning-oriented real-time impact assessments (LORTA) window of 4-6 projects/programmes. The IEU will assist projects in building high quality and useful baseline data, support real-time learning on the likelihood of impacts and *measure causal* impact of GCF investments. The first phase of this pilot consisting of advice and support ('formative project evaluations') will

<sup>32</sup> 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.'

<sup>33</sup> Decision B.13/21

commence in 2018. Projects will be selected in areas where effectiveness evidence is sparse. During this pilot phase, projects related to forestry and climate information services will be supported. The IEU will present a report on this pilot at B.21.

- (d) Providing evidence-based recommendations on improvements based on the results management framework. The IEU is currently scoping this work and is supported by one consultant. An additional consultant will be brought on once the scoping is completed. Recommendations will be provided to the Board at B.21;<sup>34</sup> and

5. **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.<sup>35</sup> 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.<sup>36</sup>
- (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;

6. **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.<sup>37</sup> It will leverage the capacity and presence of evaluation offices<sup>38</sup> and expert thematic agencies<sup>39</sup> 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.

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<sup>34</sup> Decision B.06/9/Annex III

<sup>35</sup> Decision B.06/9/Annex III and Decision B.10/05/Annex V

<sup>36</sup> 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.

<sup>37</sup> Decision B.06/9/Annex III and Decision B.10/05/Annex V

<sup>38</sup> These are ongoing partnerships with evaluation offices of the WFP and CDB. Others expected include evaluation offices of the ADB, UNDP, DIME and NORAD.

<sup>39</sup> These agencies include the HQAI, GGGI, CIFF, Behavioral Insights Unit, Global Data Pulse Lab, Campbell Collaboration and Collaboration for Environmental Evidence.

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- (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.<sup>40</sup>

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<sup>40</sup> 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.



**Table II: Annual work plan timeline for the Independent Evaluation Unit (2018)**

## II. IEU Budget for 2018

7. 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 21<sup>st</sup> of September 2017) and in procurement processes, these activities will be undertaken in 2018. The budget covers the following items:

8. 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.<sup>41</sup> The IEU will undertake on average four evaluations at least every year. In 2018, the IEU will lead and manage four key evaluation activities. These include one programmatic evaluation (the readiness evaluation), a portfolio review (of the adaptation programme), project level real-time evaluations (under its programme called 'Learning Oriented Real Time Assessments or LORTA) and a review of the results framework. IEU staff will be responsible for delivering the four work streams of the Unit and will participate in IEU led evaluations, its capacity strengthening and advisory work.<sup>42</sup> 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.

9. 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 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.

10. Travel: In 2018, travel will be undertaken as part of four 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), the portfolio review (of the adaptation programme), project level real-time evaluations (under LORTA) and an assessment of the 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.

11. Professional services: In 2018, the IEU will lead and manage four key evaluation activities. These include one programmatic evaluation (the readiness evaluation), a portfolio review (of the adaptation programme), project level real-time evaluations (under LORTA) and a review of the results framework. The IEU will contract firms to work with it, to undertake the

<sup>41</sup> Decision B.16/07

<sup>42</sup> 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.

12. 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*	1,883,667
Consultants/Intern costs	492, 200
Travel	183,000
Professional Services	950, 000
Other operating costs	65,000
<b>Total</b>	<b>3,573,867</b>

\* 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**

13. 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.

14. 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 <sup>1</sup>	1.5 – 2% of overall budget
2.	GEF – Independent Evaluation Office (IEO)	4.75 million	A percentage of the annual financial work plan <sup>2</sup>
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

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- 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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