



**GREEN
CLIMATE
FUND**

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Secretariat's responses to comments from the Board and accredited entities on the Integrated Results Management Framework and Results Tracking Tool

Note on the Integrated Results Management Framework and Results Tracking Tool: Secretariat's responses to comments from the Board and AEs

28 October 2020

I. Introduction

1. In line with the Board consultation plan for 2020, an updated document on the Integrated Results Management Framework (IRMF) and Results Tracking Tool (RTT) was circulated for the Board consultation during 30 June - 10 August 2020, including a 10-day extension. In parallel, the said document was shared with the Accredited Entities (AEs) for feedback during 6 - 24 July 2020. Comments from both the Board and AEs were then gathered for Secretariat's consideration.
2. The Secretariat has carefully reviewed the comments received from both the Board and AEs during the aforementioned periods to identify its required actions and potential ways forward that can be amenable to gaining consensus.
3. This note consists of the Secretariat's responses by topic to comments¹ from the Board and AEs and a list of actions that will be taken in updating the paper on technical issues to address recommendations from both the Board and AEs. This note has also been prepared to aide the Co-Facilitators appointed to lead further Board consultations on the IRMF and RTT to identify issues which may be resolved as a result of technical clarification, and those which require further political deliberation at the Board level. Original comments from the Board and AEs are also enclosed for ease of reference.
4. The Secretariat is in parallel updating the draft IRMF and RTT to reflect Board comments.

II. Comments from the Board on the IRMF and the Secretariat's response

5. This section covers the Secretariat's response to feedback received from the Board. Comments from AEs which overlap with those of the Board are also combined under this section.
6. **Alignment with the Investment Framework.**

Comment	Board or AE
<i>The proposed (qualitative) indicators are to be used as eligibility criteria to redefine the Investment Framework and be used in screening projects. This in our view is a form of reverse engineering, rather than using the Investment Framework as the basis, the IRMF tends to re-interpret and change the Investment Framework from a backward-looking perspective.</i>	<i>Developing Country Parties from the African states (United Republic of Tanzania, South Africa)</i>

¹ Overlapping or similar comments are subsumed into the grouped comments in Sections II, III, IV. Editorial comments are not addressed in this note but they will be addressed in next versions of the draft IRMF.

- The Secretariat will continue to apply the Investment criteria to guide the ex-ante assessment of projects for approval while the IRMF will be applied to manage ex-post results of approved projects. Thus, the IRMF is intended as a tool to help AEs capture and track progress against expected results throughout project life cycle rather than a screening tool for selecting funding proposals. As noted in Section III, paragraph 12 of the draft IRMF, the policy has been designed to improve alignment with other GCF policy frameworks, most notably the Investment Framework. In particular, paradigm shift dimensions and systemic change core indicators have been specified to track the progress of approved projects in a more granular and structured way against the Investment criteria². For instance, an activity-specific sub-criterion under paradigm shift potential in the Investment Framework – the potential for expanding the proposal’s impact (scalability) – assesses demonstration of a robust theory of change for scale-up at the funding proposal development stage. Meanwhile, a paradigm shift dimension in the IRMF – Scale – will then track and assess the degree to which there has been an increase in results with evidence of scaling up within and beyond the scope of a project’s intervention.
- In Section III paragraph 12 or Annex VI to the IRMF, the Secretariat will provide additional information on how the Investment Framework and IRMF will work in synergy to help both the Secretariat and AEs to develop and identify the most impactful projects and to monitor progress against intended results of approved projects during their lifespan.

7. Capturing different levels of results or causal pathways towards GCF’s ultimate objectives - paradigm shift for low-emission and climate-resilient development.

Comment	Board or AE
<i>The IRMF shifts from the climate focus to more of enabling environment focus under the umbrella of defining paradigm shift.</i>	<i>Developing Country Parties from the African states (United Republic of Tanzania, South Africa)</i>
<i>[Provide] more information on linkages between paradigm shift potential and theory of change/logical chains proposed in the funding proposal.</i>	WWF, UNDP

- The Investment Framework looks at the potential of various “enabling environment” components to describe and drive paradigm shift, in addition to other factors. The IRMF has built on this to help put in place mechanisms to measure the “enabling environment” such as the availability of institutional and regulatory frameworks which can lead to paradigm shift. This approach is not new; most of the current/pipeline GCF projects and their log-frames need to address aspects of systemic change, though they do not specifically measure or track it beyond activity and output level. The deployment of scorecards is intended to look at the object of the change – the system – rather than just the activities in a way which is consistent but recognizes the differences in context. So, this approach will provide a means of bridging this gap and a more useful way of tracking progress towards paradigm shift.
- A causal pathway is generally defined as the process or mechanism through which an outcome or impact comes into being. The pathway is also less linear than logical framework thinking i.e. it is not simple cause and effect but recognizes that it involves multiple variables and a set of changes which happen both in parallel and are

² Decision B.09/05 - Further Development of the Initial Investment Framework: Sub-Criteria and Methodology

interconnected, given changes in the environment/context causal pathways may unfold in ways which are different to those initially expected. In the context of the GCF, a causal pathway means a process or means through which the irreversible transition or paradigm shift of sectors, countries, or regions to low-emission and/or resilient development is achieved. The IRMF, therefore, recognizes that multiple pathways are depending on contexts as well as different scales of transition or paradigm shift (e.g. by sectors and countries).

- The Secretariat is supporting AEs to develop a clear theory of change and causal pathways at the proposal development stage. Building on this, the IRMF will support AEs to track progress towards paradigm shift, as it is defined and described in funding proposals through a more structured approach (e.g. by using scorecards).

8. **Contribution versus attribution (in relation to paragraph 7 above).**

<i>Comment</i>	<i>Board or AE</i>
<i>How will the IRMF address the challenge of attribution?</i>	<i>Developed Country Parties (Switzerland/Finland)</i>

- The GCF’s Governing Instrument states that “the purpose of the Fund is to make a significant and ambitious contribution to the global efforts towards attaining the goals set by the international community to combat climate change.” With this in mind, the IRMF is designed to identify the level of GCF individual project’s contribution rather than attribution to paradigm shift and systemic change. As clarified in the IRMF Annex III, the Secretariat focuses on contribution because (i) the sustainability of any paradigm shift potential and/or systemic change will rely on outcomes beyond the GCF-supported interventions and may not be directly attributable to GCF interventions only; and (ii) GCF will play different roles across various funded projects, which makes it difficult to apply the attribution measurement at the organizational level. For example, some projects may focus on the development and maintenance of major energy-efficient infrastructure while others may be on influencing policy change or leveraging climate finance from new parties.
- While the IRMF only captures the contribution to paradigm shift, the assessment of higher-level “attribution” can be undertaken primarily via a qualitative approach such as the Learning-Oriented Real-Time Impact Assessment (LORTA) program currently managed by the Independent Evaluation Unit (IEU).

9. **Structure and measurement methodology for core indicators 1-4 and their sub-indicators (quantitative indicators).**

<i>Comment</i>	<i>Board or AE</i>
<i>There could be a risk of overclaiming or double-counting benefits between core indicator 2 and its sub-indicators.</i>	<i>Developed Country Parties (UK)</i>
<i>Different approaches are applied between core indicators 2, 3 and 4 for aggregation to fund and sectoral levels.</i>	<i>Developed Country Parties (Switzerland/Finland), CDB</i>
<i>There is a conceptual expectation that sub-indicators can feed into overall results and therefore should be the same unit of measurement.</i>	<i>Developed Country Parties (UK)</i>

<i>Sub-indicators are in fact a sub-sample of core indicators which should be clearly labeled.</i>	<i>Developed Country Parties (overall)</i>
<i>Please clarify whether AEs need to report on both the core indicator and the sub indicator (or one or the other).</i>	<i>UNDP</i>

- There is a risk of double-counting benefits, for example under core indicator 2 where the same beneficiaries can be impacted by multiple result areas and may be aggregated at the portfolio level. To mitigate such risks and avoid double-counting benefits at the portfolio level, the Secretariat will provide in the Results Handbook clear guidance on reporting benefits by result areas and best practices in disaggregating and interpreting results. The Handbook will be developed after the Board approval of the IRMF.
- While core indicators 1-4 will be collected and aggregated by respective result areas first and then ultimately at the portfolio level, sub-indicators under respective core indicators 1-4 will not be aggregated at the core indicator level but will only serve as supplementary data for the Secretariat and AEs to help track additional or granular results relevant to projects. The current draft version of the IRMF will be amended accordingly to reflect the consistency of the use of sub-indicators and add clarity.

10. **Measurement of Core indicators 1-4 by respective result areas.**

Comment	Board or AE
<i>Core indicator 1 should incorporate carbon capture and storage (CCS) in line with Para 35 in the GCF's Governing Instrument.</i>	<i>Developing Country Parties from the Asia-Pacific states (Saudi Arabia)</i>
<i>What are the indicators for the resilience of people and communities?</i>	<i>Developed Country Parties (Switzerland/Finland)</i>
<i>What is the indicator for well-being?</i>	<i>Developed Country Parties (Switzerland/Finland)</i>
<i>Core indicator 4: Should add SDG 6 on freshwater as a changing climate will have profound impact on freshwater availability. It goes beyond water availability.</i>	<i>Developed Country Parties (Sweden)</i>
<i>[Consider] simplification/streamlining of indicators and their quantification to straightforward metrics.</i>	<i>Developing Country Parties from the Asia-Pacific states (Philippines)</i>

- The current IRMF allows each project to contribute and report its results against the GCF's eight result areas through the below four core (quantitative) indicators. In this reporting structure, CCS (core 1 with result area 3), well-being (core 2 with result area 6) and freshwater availability (core 4 with result area 6) can be reported through the core indicators. The results in terms of core indicators 1-4 are collected and aggregated by respective result areas first and then ultimately at the portfolio level. AEs are also encouraged to add and monitor additional indicators under respective project log-frames, if not captured in the current core and sub-indicators. The reporting framework will be clarified in the next version of the IRMF.

- Core 1: GHG emissions reduced, avoided, or removed/sequestered, per result area
 - Core 2: Direct and indirect beneficiaries reached, per result area
 - Core 3: Physical assets with increased resilience against climate hazards, by type
 - Core 4: Natural resource assets with increased resilience against climate hazards, by type
 - Result area 1: Energy generation and access
 - Result area 2: Low-emissions transport
 - Result area 3: Buildings, cities, industries, and appliances
 - Result area 4: Forestry and land use
 - Result area 5: Most vulnerable people and communities
 - Result area 6: Health, well-being, food, and water security
 - Result area 7: Infrastructure and built environment
 - Result area 8: Ecosystems and ecosystem services
- It is not within the scope of the IRMF to amend the Board-approved eight result areas (as outlined above) but the proposed additional areas of intervention are covered by the core indicators and their sub-indicators and fall within the existing result areas.

11. **Inclusion of co-benefits and further linkages with Sustainable Development Goals (SDGs) (quantitative indicators).**

Comment	Board or AE
<i>The logical frameworks should request reporting of most relevant co-benefits, including biodiversity, social inclusion, etc.</i>	<i>Developed Country Parties (Switzerland/Finland, Sweden)</i>
<i>Co-benefits (according to SDGs) on biodiversity need to be addressed and measured.</i>	<i>Developed Country Parties (Switzerland/Finland, Sweden)</i>
<i>Clarity on how to track co-benefits more systematically.</i>	<i>UNDP</i>

- To maintain focus on the GCF mandate (as opposed to development projects carried out by other development finance institutions or multilateral development banks) and to avoid the potential burden of AEs, the IRMF aims to balance the number of indicators available for measurement. There is also the need for a balance between views seeking to focus on measuring direct climate results and others requiring a broader range of co-benefits. The Secretariat proposes that co-benefits measurements be introduced as a flexible option, to be assessed on a case by case basis, in line with the current reporting. AEs are encouraged to add and monitor co-benefit indicators such as those related to biodiversity, social inclusion, and or poverty alleviation under respective project log-frames, if not captured in the current core and sub-indicators but relevant at the project level. The clarification will be provided in the updated IRMF.

12. **Scope of definitions for paradigm-shift dimensions and systemic change indicators (qualitative indicators)**

Comment	Board or AE
<i>Scope and notion of systemic change remains ambiguous against those of paradigm shift, e.g. What is the difference between assessing market transformation at systemic change level versus assessing it as part of Depth in paradigm shift?</i>	<i>Developing Country Parties (overall) Developed Country Parties (overall)</i>

- Given its definition in the Investment Framework, the IRMF intends to measure paradigm shift by ‘the degree to which the Fund can achieve impact (Depth) of sustainable development (Sustainability) beyond a one-off project investment through scalability and replicability (Scale).’ In particular, the focus is on behavior change and the creation of new norms. Meanwhile, the systemic change indicators are designed to capture or track the ‘process’ of developing the required building blocks within a system towards low-carbon and climate-resilient pathways in its four components (as outlined below), with a focus on GCF project’s direct influence or intervention for a relatively short time.
 - Core 5: Institutional and regulatory frameworks
 - Core 6: Diffusion of climate change innovation
 - Core 7: Market development and transformation
 - Core 8: Knowledge generation, capture and learning
- For instance, systemic change core indicators 6 and 7 could assess the process of how a GCF project has contributed to creating an enabling environment and support for renewable energy to become a key part of the energy mix with reduced prices support for a variation of technologies and developing an effective value chain (providers, storage etc.) in a target area during the project lifespan. Paradigm shift dimensions look into the extent to which renewable energy sources become the norm or an established taken for granted large proportion of the energy mix (Depth); by catalyzing other stakeholder’s investments and scaling up the renewable energy market in a longer term (Scale); with a clear process for transitioning jobs from fossil fuel sources to renewable energy providers in the market (Sustainability). Evidence for this would draw from both the reduced emissions and increased resilience indicators as well as the systemic change indicators.
- Further clarification and examples will be provided in the next version of the IRMF and Results Handbook.

13. **Definitions of paradigm shift dimensions and systemic change core indicators 5-8 (qualitative indicators).**

Comment	Board or AE
<i>[Need] a clear definition of three dimensions of paradigm shift potential and systemic change core indicators 5-8.</i>	<i>Developed Country Parties (overall) Developing Country parties from the African states (United Republic of Tanzania, South Africa)</i>
<i>[Consider] development of additional indicators apart from four core indicators under the systemic change to capture projects affecting enabling environment, reducing subsidies for fossil fuels, and effects on learning and social behavior changes from projects.</i>	<i>Developed Country Parties (Germany)</i>
<i>What is the rationale for measuring paradigm shift on the basis of GCF outcomes? Would it not make sense just to measure it on the basis of the three dimensions? The GCF outcomes will be measured and tracked in any case.</i>	<i>UNDP</i>

- Annex III of the IRMF provides detailed definitions of paradigm shift dimensions and system change core indicators as well as an overview of how the project’s contribution to paradigm shift will be measured qualitatively through different assessment techniques such as scorecards, independent evaluations, and the annual performance report (APR) template. Annex V provides definitions and rationales of systemic change core indicators

and illustrative guidance notes on how to measure systemic change through the four core indicators 5-8. As the next step, the Secretariat will refine these annexes to the IRMF to further elaborate the steps for operationalization and develop user-friendly tools as part of Results Handbook development so that AEs consistently measure their contribution towards paradigm shift potential and systemic change. The Handbook will be developed following the adoption of IRMF.

14. **Clarification on gender and social inclusion dimensions.**

Comment	Board or AE
<i>[Need for] clear definition on social inclusion dimensions.</i>	<i>Developed Country Parties (Switzerland/Finland)</i>
<i>Dimension of gender and social inclusion are not clearly outlined.; "Clarification on the meaning of where relevant, core indicators and methodologies will incorporate gender and social inclusion dimensions.</i>	<i>Developed Country Parties (Sweden, France)</i>
<i>It would be welcome if the sub-indicators would already reflect these gender and social dimensions so the level of detail with respect to gender disaggregation etc. for them would be clear for all AEs.</i>	<i>UNDP</i>

- In the current IRMF sex-disaggregation is required for core indicator 2 and its sub-indicators where the number of beneficiaries is counted. The other quantitative indicators (core indicators 1, 3, and 4) are not subject to sex-disaggregation since the unit of measurement does not allow for such disaggregation (e.g. GHG emission reduction, megawatt-hour, monetary quantity in USD, and geographical areas in hectare).
- In addition to sex-disaggregation quantitative data under core indicator 2, qualitative results against gender and social inclusion will be reported in narratives through paradigm shift dimensions and systemic change indicators. At the project level, the sex-related data is also available on GCF's gender assessment and gender action plan for individual projects. The ex-ante gender assessment and gender action plan will be monitored and assessed through APRs. Moreover, AEs are encouraged to introduce gender and social inclusion related indicators in project log-frames as relevant. Further clarification on gender and social inclusion dimensions will be provided in the next version of the IRMF and Results Handbook.

15. **Alignment with national data systems.**

Comment	Board or AE
<i>A global results framework cannot be aligned to all country systems but some attempt to show how equivalence can be established should be made (ultimately country by country) so that national data can be used to the highest extent.</i>	<i>Developed Country Parties (Denmark/Netherlands)</i>
<i>From the perspective of data aggregation, proposing to build and use indicators to ensure compatibility with a national database and international financial institutions.</i>	<i>Developed Country Parties (France)</i>

- The Secretariat fully takes onboard concerns regarding the need to align the IRMF with existing country-level data systems to ensure AE's ownership on the management of climate change-related data. Indeed, quantitative core indicators 1-4 and their sub-indicators include results that are routinely collected and used by other climate finance mechanisms such as Climate Investment Funds (CIF), Global Environment Facility (GEF), and Adaptation Fund (AF); are commonly tracked by national statistical authorities; are

in alignment with SDGs. For instance, the following quantitative indicators among others will increase compatibility with other climate finance mechanisms and national data systems: GHG emission reduction (tCO₂eq.), annual energy savings and installed capacity in energy access (MWh), number of beneficiaries, physical assets with increased resilience (USD), and natural resource assets in increased resilience (Hectare).

- Besides, data availability in the existing national data systems was extensively considered in the development of systemic change core indicators 5-8, noting a number of developing countries have placed greater importance in monitoring, tracking, and evaluating these systemic change contributions and data.

16. **Baseline requirements for indicators and scorecards.**

Comment	Board or AE
<i>Establishing baseline represents a complex conditionality on AEs”; “The policy could be more explicit about who shall bear costs of baseline re-validation. Equally, the policy could talk about what will happen in case of a change of baseline data.</i>	<i>Developing Country Parties from the Asia-Pacific states (Saudi Arabia), UNDP, GIZ</i>

- Setting baselines is the first step of results-based management, and this is already a requirement and being practiced in the existing system. In current practice, AEs provide baseline assessments of paradigm shift and systemic change against the Investment criteria³ as well as individual log-frames in a narrative format, in the context of the Funding Proposals.
- Building on the existing system, the IRMF will help AEs establish baselines but in a slightly more structured manner with scorecards. In the IRMF, AEs are additionally required to provide baselines for scorecards on three dimensions of paradigm shift potential and four systemic change core indicators.
- It is worthwhile to clarify that for most of the quantitative indicators within the IRMF, baselines should either be 0 or already known, hence are straight-forward. However, to help AEs to adjust to the more structured approach, detailed guidance on how to set baselines will be elaborated in the upcoming Results Handbook and the GCF’s programming manual (a section of budgeting for M&E activities).

17. **Scorecard methodology.**

Comment	Board or AE
<i>proposing to have a 0-6 scale (Likert scale).</i>	<i>Developed Country Parties (Germany)</i>
<i>The scope, potential impact, and roles of GCF projects need to be put in the scorecards.</i>	<i>UNDP</i>
<i>The proposed IRMF seems to take indicators and scorecard (summation) approach in absolute values. This could lead to bias against small projects, and small or less-densely populated countries which are otherwise at significant risk of climate change impacts.</i>	<i>ADB</i>

- The scorecards are designed to measure contribution to paradigm shift potential and systemic change beyond a project’s intervention. For example, a project that reduces emissions through decarbonization of electricity supply (project’s intervention) will probably support the development and strengthening of particular electricity regulatory bodies at the sectoral, local, or national level (systemic change). However, each scorecard

³ The Investment Framework has its six criteria: paradigm shift potential, impact potential, and sustainable development potential, efficiency and effectiveness, country ownership, and needs of recipients.

will present a set of statements defining what constitutes – for example – “weak” systemic change versus “strong” systemic change impacted by a GCF project based on its scope and role. The scale-based scorecards along with statements then will be used to assess (“score”) progress towards each systemic change indicator.

- For the scorecards, the Secretariat has been proposing a 0-3 scale because the greater the granularity the more difficult it is to get consistency across AEs and assessment processes, particularly considering the diversity of the GCF’s portfolio. To avoid having an equilibrium point (mid-point) which tends to bias the responses – respondents selecting mid-points in most cases if allowed – the Secretariat also intends to use an even number of scale (0-3) rather than an odd number (0-6 Likert scale).

18. **Technical guidance on the IRMF application.**

Comment	Board or AE
<i>Required technical support such as how to appropriately select and use sub-indicators and pragmatic means of verification, and data sources of indicators.</i>	<i>Developed Country Parties (overall), CI</i>

- The Secretariat will prepare a comprehensive Results Handbook for application of the IRMF, by fine-tuning the initial resources developed and made available in the IRMF Annexes. Aimed as a technical guidance note for the Secretariat, AEs, NDAs, and other stakeholders, the Handbook will provide step-by-step information on how to select and measure results against core indicators and sub-indicators and establish baselines inter alia. The GCF’s programming manual will be also updated in line with the IRMF and its Results Handbook.

19. **Parallel implementation of the initial RMF and IRMF.**

Comment	Board or AE
<i>How will the results in the initial RMF be collected?</i>	<i>Developed Country Parties (overall)</i>
<i>Will they also be included in the new results tracking tool or via something different?</i>	<i>Developed Country Parties (UK)</i>
<i>Will it be possible to distinguish between initial resource mobilization (IRM) and GCF-1 results?</i>	<i>Developed Country Parties (UK)</i>

- The IRMF builds on the initial RMF; the key indicators (e.g. GHG emissions, beneficiaries, and many sub-indicators) in IRMF are already being reported through APR under the initial RMF. The only difference is that the indicators are structured in a clearer manner with the addition of a few new sub-indicators⁴. Since the IRMF will not be applied retroactively to the projects approved prior to its effectiveness, the existing projects will continue to report against the initial RMF. The IRMF will be implemented for new projects. Since there are significant overlaps in the RMF and IRMF, implementation of IRMF will only require adjustment of the APR template that will include new scorecards such that projects approved under both the initial RMF and IRMF use the same template as applicable and that their results can be reported consistently across the portfolio for appropriate aggregation and analysis.
- During GCF-1 the Secretariat will report, through the use of the Results Tracking Tool (RTT), on both delivered results (as reported through APRs) on the two core indicators widely used during the IRM (GHG emission reduction and beneficiaries) as well as on anticipated results based on ex-ante assessments provided within funding proposals that will reflect the IRMF when considered for approval. Delivered results against the IRMF

⁴ The initial RMF allows AEs to report on aspects of core indicators 3-8 which are though seemingly new in the IRMF.

are only anticipated during GCF-2, given sufficient time is required for full implementation of the policy as well as for GCF-1 approved projects to reach implementation maturity.

- The Secretariat will provide more clarity on operationalization plans for IRMF including how to revise funding proposal and APR templates in the draft IRMF before B.27. Following approval of the IRMF, the templates of funding proposal and APR will be updated along with the Results Handbook.

20. **Reporting requirements against paradigm shift potential and systemic change.**

Comment	Board or AE
<i>[Need for clarity on] frequency and means of reporting against paradigm shift potential and systemic change.</i>	<i>Developed Country Parties (overall)</i>
<i>For systemic change, AE is required to report on at least two indicators, including knowledge generation, capture and learning. How will this be tailored to each specific project?</i>	<i>Developed Country Parties (France)</i>

- AEs will report on paradigm shift potential through scorecards twice during the project lifespan (usually at mid- and end-points), considering paradigm shift is typically a long process and can occur beyond the project lifespan. The AEs will continue the current practice to report the progress on paradigm shift in a narrative format annually via APRs if any progress is made. Funding proposals do already include a section on contribution to paradigm shift and many include what this would look like, though this is often not included in the log-frames or monitored. The IRMF aims to clarify this current practice.
- Regarding systemic change, AEs will report its progress on both the scorecards and narrative template annually⁵. The current draft IRMF asks AEs to report on minimum of two systemic change indicators to enable consistent and sufficient data availability across the portfolio. In doing this, the Secretariat provides flexibility for AEs to select the indicators based on the types of project interventions and investments. Meanwhile, reporting against knowledge generation is set as mandatory with a view to generating lessons across the portfolio.
- Further work is planned on tool development after the IRMF approval and would include the fine-tuning of scorecards, revision of the APR template, and development of the Results Handbook as indicated above. The Secretariat will endeavor to complete the work within a minimum of two cycles of board meeting following the IRMF approval.

21. **Implementation arrangements.**

Comment	Board or AE
<i>Needs of a realistic assessment of additional cost and where will these resources come from and its expected impact on the project budgets, readiness, or any other budget line.</i>	<i>Developing Country Parties from the African states (United Republic of Tanzania, South Africa)</i>
<i>Before full implementation of the IRMF, pilots should be used; Clarification on who is commissioned and pays for ex-post independent evaluation.</i>	<i>Developed Country Parties (Denmark/Netherlands)</i>
<i>Higher M&E budget needs to be included/allocated in project budgets.; Independently of the maximum proportion of budget recommended for M&E (5-10%), a provision to</i>	<i>CI</i>

⁵ Under the initial RMF, AEs are currently reporting the progress in narratives only through APRs.

<i>reorient the minimum cost that M&E actions can have to inform APR.</i>	
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- Regarding additional M&E costs required for IRMF implementation, the expected increase in M&E costs will be factored at the current proposal development stage (e.g. funding proposal’s annex 11 on M&E plan and budget) and reviewed by the Secretariat and iTAP prior to Board consideration.
- The initial RMF has already given considerable lessons that can be reflected in the IRMF implementation. However, the Secretariat will endeavor to pilot the IRMF before its effectiveness date to a small number of selected projects to ensure any practical challenges be addressed in the Results Handbook.
- The principles of being independent of AEs and managing learning and knowledge will guide the approach and funding sources for ex-post review and evaluation. Secretariat’s administrative budget ⁶ and/or part of IEU’s independent evaluations would be commissioned for verifying AE’s assessments on their individual projects as well as conducting ex-post portfolio reviews and evaluations. The evaluation policy to be adopted by the Board will provide guidance on roles and responsibilities. The current status will be clarified and reflected in the IRMF before B.27.

22. **Ensuring compliance with the IRMF.**

<i>Comment</i>	<i>Board or AE</i>
<i>“The IRMF should specify the implications in case AEs do not fully comply with the IRMF. A comply or explain principle could be added.</i>	<i>Developed Country Parties (Denmark/Netherlands)</i>

- In the current practice, AEs abide by legal agreements such as accreditation master agreements and funded activity agreements, which include reporting requirements against the initial RMF. The Secretariat monitors and assesses compliance with the requirements and takes corrective or legal actions based on the agreements. Upon the adoption and effectiveness of the IRMF, changes in reporting requirements derived from the IRMF will be incorporated and signed by AEs in funded activity agreements on new projects and AEs will be required to abide by them. The IRMF will not be applied retroactively to the projects approved prior to its effectiveness and thus will not require an amendment of legal agreements with AEs.

⁶ The Secretariat might need additional capacity to implement the IRMF and operationalize monitoring and evaluation under the IRMF after its approval, e.g. ex-post verifications and quality assurance for APRs.

III. Comments from the AEs on the IRMF and the Secretariat's response

23. This section covers the Secretariat's response to feedback from the AEs. Please note that comments from AEs which overlap with those of the Board are covered in Section II.

24. **Buffer time to implement the IRMF.**

Comment	Board or AE
<i>Provision of buffer time to familiarize with IRMF and new funding proposal template.</i>	UNDP, CI
<i>Substantial training for AEs and NDAs for implementing the IRMF required.</i>	WWF
<i>Clarification on the effectiveness date of the policy.</i>	ADB

- The Secretariat currently proposes that the IRMF become in effect after a “minimum” of two board meeting cycles following the Board approval to develop guidance documents (i.e. Results Handbook); update funding proposal template and APR template; provide training sessions for the Secretariat, AEs, and other stakeholders to the extent possible; and readiness of IT systems before the actual IRMF implementation. Per the Board guidance, the effectiveness date of the policy will be determined.

25. **Reporting burden for AEs.**

Comment	Board or AE
<i>AE's reporting through APRs on the scorecard and qualitative reporting in consultation with main stakeholder groups is burdensome (since activity-level reporting in APR already exists).</i>	WWF

- The Secretariat understands there has been a concern over potentially “burdensome” participatory workshops to track paradigm shift and systemic change. The IRMF will provide flexibility for AEs to organize the workshops (at mid-term and final evaluation stages) as a workable compromise and on a voluntary basis. In the annual reporting of qualitative indicators, AEs are not required to analyze the entire systemic change every year but to only capture additional changes and progress. The idea behind this is not to miss any key progress of systemic change.

26. **Measuring intensity of quantitative indicators**

Comment	Board or AE
<i>Rationale is only given for what is direct beneficiaries but not for indirect; already more value is assigned to direct beneficiaries during proposal review which combined with the mentioned issue will hurt utility-related projects.</i>	CDB
<i>How far interventions have actually contributed to decreasing damages to building infrastructure or enhancing the resilience and capacity of public or private entities to manage the financial, fiscal and economic impacts of climate-related events on physical assets?; Measuring the degree of utilization of climate information services, not just availability.</i>	Developed Country Parties (overall)

- As noted briefly in the IRMF Annex IV, the delineation of direct and indirect beneficiaries is currently derived from two dimensions – targeted and intensity, where targeted is defined as those who receive direct support from a project and are aware of the support while intensity is the level or depth of support provided per person. Clearer classification of direct and indirect beneficiaries will be made available for interpretation and application into different contexts. A list of examples will be also provided as reference.
- Through paradigm shift dimensions and systemic change indicators in scorecards and narratives and/or project-level log-frames, the following in relation to intensity of quantitative indicators will be measured and reported: for instance, (i) how far interventions have actually contributed to decreasing damages to building infrastructure or enhancing the resilience and capacity of public or private entities to manage the financial, fiscal and economic impacts of climate-related events on physical assets; (ii) the degree of utilization of climate information services; (iii) the increased efficiency of the results on those who are connected with new water utility supplies.

IV. List of Secretariat’s immediate actions to address straightforward recommendations from both the Board and AEs on the IRMF

27. Core indicators 1-4 and its sub-indicators (quantitative indicators)

- New design buildings performing green services and efficiency gain in existing buildings will be captured through systemic change indicators and core indicator 1 (GHG emissions reduction) and core indicator 2 (number of beneficiaries) with the result area of ‘buildings, cities, industries, and appliances.’
- A detailed measurement methodology for sub-indicator 1.5 (proportion of newly designed buildings and performing green services) will be developed in the Results handbook, particularly on what proportion level (local/national/regional) to use for percentage calculation. The definition, scope, and examples of ‘green services’ will be provided in the Results handbook.
- Units for sub-indicator 1.1 (annual energy savings) and sub-indicator 1.2 (energy storage system installed) will be changed to megawatt-hours from megawatts-hour.
- The unit for sub-indicator 1.4 (improved low-emissions vehicle fuel economy) will be changed to the volume of fuel per km. A clear measurement methodology for this sub-indicator will be developed in the Results Handbook. This indicator will capture new low-emission transport introduced in the market. Emission reduction due to mode shift will be captured through qualitative monitoring and measurement via systemic change core indicators 5-8, and paradigm shift assessments as well as quantitative measurements via core indicator 1 (GHG emissions reduction) and core indicator 2 (number of beneficiaries) under the result area of "transport".
- The basic metric unit for core indicator 2 and sub-indicators will be individuals, not households. If data on individuals is not available, households could be reported and converted into individuals based on average number of people per household.
- The calculation for a share of the population as beneficiaries of resilience measures under core indicator 2 will be clarified in the Results Handbook.
- Noting the comment that as per the UN statistics, relevant data will be disaggregated by sex and not gender for core indicator 2 and its sub-indicators, the IRMF will reflect it as applicable.

- Regarding sub-indicator 2.4 (beneficiaries covered by new or improved early warning systems, the effectiveness and impact of early warning systems when events hit will be measured under systemic change indicators and project-level log-frames.
- Core indicator 3 (physical assets with increased resilience) will measure both value and number of assets.
- For measurement of core indicator 4 (natural resource assets with increased resilience) and its sub-indicators, the proportion of land and natural assets with increased resilience will be derived and assessed, where applicable.
- In core indicator 4 (natural resource assets with increased resilience), the definition of natural assets will be slightly revised to accommodate SDGs 14 and 15 and Aichi Biodiversity Target 7 of the Convention on Biological diversity.
- Forestry-related results will be captured by core indicator 1 (GHG emission reduction) with the result area of 'forestry and land use', core indicator 4 (natural resource assets with increased resilience) and its sub-indicators as well as project-level log-frames.
- The marine/coastal ecosystem will be measured under core indicator 4 (natural resource assets with increased resilience) and its sub-indicators as well as project-level log-frames, rather than creating a new sub-indicator.
- Detailed definition of hazards and boundary of an impacted area will be provided in the IRMF annexes and the Results Handbook.

28. **Paradigm shift dimensions and systemic change core indicators 5-8 (qualitative indicators)**

- "Legally-binding" in the definition of core indicator 5 (institutional and regulatory frameworks) will be removed.
- A clear definition of innovation under core indicator 6 will be provided in the IRMF.
- Core indicator 8 (knowledge generation, capture, and learning) will consider the quality of knowledge generation and diffusion through narrative submission in APRs, beyond the measurement of the number of training undertaken or knowledge products.

29. **Measurements, reporting, and other**

- The definition and measurement techniques of systemic change indicators which are mainly explained in Annexes will be brought into the main sections of the IRMF for clarification.
- Consistent language will be used in line with the language of the Paris Agreement (e.g., low-emissions instead of low-carbon in Figure 3 Scorecard of IRMF Annex III).
- During ex-post verification, an alignment with SDG indicators will be reviewed and verified.
- An indicative timeline with the date of publication of the Results handbook will be provided in the IRMF.
- Regarding mid- and final-term evaluations, the term 'self-evaluation' will be replaced with 'evaluation undertaken by the AE'.
- A clear definition of 'lifetime' will be included in the IRMF.
- The definition and examples of 'anecdotal narratives' at the project level (paragraph 35 of the IRMF) will be clarified in the next version of the IRMF.
- The next version of the IRMF will provide more information on how Portfolio Performance Management System (PPMS) will support the implementation of the IRMF.
- The coverage of the proposed indicators will align with the upcoming sector guidance of the eight result areas.

V. Comments from the Board on the RTT and Secretariat's response

30. Ensuring consistency between iRMF indicators and RTT indicators.

Comment	Board or AE
<i>There are several relevant indicators in the Results Tracking Tool that are absent from the IRMF paper. These two documents should be consistent.</i>	<i>Developed Country Parties (overall)</i>

- The RTT is designed to mirror the iRMF so all indicators and results dimensions will need to follow the ones proposed under the iRMF. All cross-references will be checked for consistency and the RTT will be updated and finalized following the conclusion of the iRMF, including on the dimensions and disaggregation of the indicators.

31. Oversight of the tool and reporting through the RTT.

Comment	Board or AE
<i>Will the recorded results be available? As the result/funding is an interesting metric and will offer some insights in terms of efficiencies and an (imperfect) measure of relative performance.</i>	<i>Developed Country Parties (overall)</i>
<i>Are there plans to make the inputted data open source? We would welcome this move for transparency, analysis and learning from the GCF portfolio, particularly if supported by metadata</i>	<i>Developed Country Parties (overall)</i>
<i>Who is responsible for implementing the RTT and inputting the data?</i>	<i>AEs</i>

- The RTT will be operationalized by the GCF Secretariat, as a reporting tool. Data will be pulled from current AE-reporting mechanisms like the APRs and mid and final evaluations led by AEs set out under existing project agreements. It will be supplemented, as feasible, by additional data collected through ex-post evaluations.
- The Secretariat will report on the RTT to the Board on an annual basis based on the annual cycle of availability of project data. The reporting will be done as part of its reporting against the implementation of the Strategic Plan, given the RTT covers both climate and institutional results.
- RTT data will depend on data is made available through the APRs and reporting mechanisms and processes under the APRs. The Secretariat will aim to improve the availability and transparency of project results data based on how internal portfolio management data systems evolve. At the moment the Secretariat can report on aggregated portfolio data.

32. Implementation of the RTT.

Comment	Board or AE
<i>It is not quite clear how the tool will work with all the different results levels.</i>	<i>Developed Country Parties (overall)</i>
<i>How will the IRM results will be collected? Will they also be included in the new results tracking tool or via something different? Will it be possible to distinguish between IRM and GCF-1 results?</i>	<i>Developed Country Parties (overall)</i>

- Per the four separate columns set out in the RTT, (i) IRM results (ii) IRM resources (iii) GCF-1 results and (iv) GCF-1 resources will be reported separately. IRM results (expected and actual) will only be reported on the indicators in the table for which IRM data is available (eg GHG emission reductions, beneficiaries, co-financing, abatement costs). GCF-1 results are anticipated to be reported on the indicators for all results levels set out in the RTT, subject to when the IRMF commences implementation and data availability.
- As described in Para 19 above, during GCF-1 the Secretariat will report, through the use of the Results Tracking Tool (RTT), on both delivered results for which data is available (as reported through APRs) as well as on anticipated results based on ex-ante assessments provided within funding proposals, for all iRMF indicators.
- For the quantitative indicators, the RTT will report as described above on both the delivered results and the anticipated results.
- For the qualitative dimensions of the IRMF the RTT will report what number of projects or % of the GCF portfolio delivers on a certain amount of qualitative outcome across the Systemic Change Indicators and the dimensions of paradigm-shift based on the scorecards submitted through the APRs. E.g. the RTT may report that X% of GCF-1's portfolio is contributing to diffusion of climate change innovation if X% of projects report, through scorecards at implementation phase, that the scoring moved from baseline scoring towards higher scoring. The counting methodology for scorecard assessment across the various sub-questions will be further elaborated under the Results Handbook.

Annex 1 Additional comments from the Board on IRMF as of 27 Oct. 2020

Comment	Board or AE
<p><i>Reference to renewable energy access should be added for the following sub-indicators.</i></p> <p><i>Megawatt-hours energy storage system installed (Unit: Megawatt-hours)</i></p> <p><i>Installed capacity (MW) in energy access and power generation (Unit: Megawatts)</i></p>	<p><i>Developed Country Parties (Denmark/Netherlands/Luxemborg)</i></p>
<p>Beneficiary indicators have been deleted from all mitigation outcomes. Please provide the rationale.</p>	<p><i>Developed Country Parties (Denmark/Netherlands/Luxemborg)</i></p>

- The Secretariat has added in the IRMF document the following footnote for the above two indicators in question.
This indicator applies to renewable energy sources or generators.
- The draft IRMF maintains the principle of the GCF's mitigation and adaptation logic model which was established under the initial RMF. As in the initial RMF, the core indicator for mitigation interventions is *GHG emissions reduced, avoided or removed/sequestered*, while the core indicator for adaptation interventions is *direct and indirect beneficiaries reached*.

/ends/