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# Integrated Results Management Framework

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## Summary

This draft document presents the GCF's proposed Integrated Results Management Framework (IRMF), intended to supersede the initial Results Management Framework (decision B.07/04) and Performance Measurement Frameworks (PMFs) (decision B.08/07) by updating the GCF results architecture and related measurement and reporting approaches for the GCF-1 programming.

The IRMF seeks to further strengthen the ability of the GCF to measure and report the impact of its investments, by updating GCF's results architecture to operate in improved alignment with the GCF Investment Framework and enable more consistent measurement and reporting of results from the project/programme level. This proposed results architecture is designed to measure both quantifiable impacts of GCF investments and its contribution to paradigm shift towards low-emission and climate-resilient development pathways in the context of sustainable development and supporting implementation of the objectives of the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement, as set out in the GCF Governing Instrument and initial Strategic Plan.

This draft document also presents the GCF's proposed Results Tracking Tool (RTT), intended to enable integrated reporting of progress toward the delivery of the updated Strategic Plan of the GCF: 2020-23.

Comments received from the Board on the proposed IRMF and RTT during the Co-Chair's consultation process, and from accredited entities on the draft IRMF, are presented in addenda I–III. The Secretariat's responses to comments from the Board and accredited entities are presented in addendum IV.

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## I. Background and mandate

1. In relation to results management, the principal objective of the GCF is to ensure it can credibly measure the results of its investments. Per paragraph 58 of the Governing Instrument, the Board was charged with approving a results measurement framework with guidelines and appropriate performance indicators.

2. Through decision B.05/03, the Board adopted initial result areas and performance indicators for the GCF with guidance that GCF's initial results management framework (initial RMF) shall be designed to "enable effective monitoring and evaluation of the outputs, outcomes and impacts of the GCF's investments and portfolio, and the GCF's organizational effectiveness and operational efficiency." Subsequently, in decision B.07/04, the Board adopted the initial RMF, and later through Decision B.08/07, adopted correlated performance indicators through the performance measurement frameworks (PMFs).

3. In accordance with decision B.19/21, in 2018 the Independent Evaluation Unit (IEU) carried out an independent review<sup>1</sup> of the GCF's initial RMF (IEU review). This review, along with the Secretariat's experience of implementation during the Initial Resource Mobilization (IRM) period, identified limitations in the initial RMF. These relate to:

- (a) *Gaps and flaws in the conceptual framework:* The initial RMF falls short of describing how GCF can measure its contribution to paradigm shift or the goals of the UNFCCC and Paris Agreement. Issues have also arisen from flawed logic models for mitigation and adaptation, which are highly linear and lack harmonization of indicators across the results chain. This has impeded a clear definition of causal pathways to paradigm shift and the separate logic models for mitigation and adaptation which make it difficult to measure multiple benefits from cross-cutting activities.
- (b) *Lack of guidance on the application of indicators:* The absence of guidance, definitions and protocols on the application of indicators has led to significant inconsistencies in the measurement and reporting of results at project/programme level. This limits GCF's ability to aggregate and report credible portfolio level results. Current indicators also do not present a full picture of results, particularly for adaptation.
- (c) *Difficulty applying a dispersed and incoherent set of frameworks:* The multiplicity of Board-approved frameworks, including but not limited to the initial RMF, PMFs and initial Investment Framework (initial IF), and lack of coherence between frameworks, has led to marginalization in use of the initial RMF by the GCF and stakeholders. At present, the initial IF and initial RMF do not explicitly link together. In other words, there is limited alignment between application of the initial IF in the *ex-ante assessment* of projects/programmes and the application of the initial RMF/PMFs for *ex-post measurement* of results generated, i.e. no single, coherent and consistent framework for the GCF to manage its investments for results.
- (d) *Inadequate resourcing for RMF application:* Organization of Secretariat capabilities to implement the initial RMF had been weak, also noting a large proportion of early GCF projects/programmes had not made sufficient budgetary provisions to ensure credible monitoring, evaluation and reporting of results.

4. Overall, the IEU review found these weaknesses in the initial RMF had materially affected the quality of funding proposals (FPs). The IEU review concluded that more than two-thirds of the GCF approved FPs (at the time) did not clearly define causal pathways that show how activities lead to climate change impact, with 40 per cent lacking indicators to report on

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<sup>1</sup> Independent Evaluation Unit (2018). Independent review of the GCF's Results Management Framework, Evaluation Report No. 1/2018, Green Climate Fund, Songdo, South Korea.

impacts projects/programmes were otherwise planning and 70 per cent insufficiently planning and budgeting for monitoring and evaluation (M&E). Inconsistent project/programme-level reporting has also limited GCF's ability to aggregate and report credible portfolio-level results, with IRM reporting based on only two main indicators – greenhouse gas (GHG) emissions and number of beneficiaries – and planned rather than actual results.

5. At the twenty-second meeting of the Board (B.22), the Board requested the Secretariat through Decision B.22/13 to (i) present for the Board's consideration a revised RMF that integrates relevant Board decisions, policies and frameworks related to results management across the GCF process cycles, to the extent possible, including developing measurement, reporting and verification (MRV) systems/methodologies for indicators in consultation with relevant experts and thematic bodies; (ii) develop for the Board's consideration a proposal to respond to gaps in the current portfolio for measurement and evaluation design; (iii) ensure that accredited entities (AE) adequately budget costs related to data collection and baseline assessment as part of project/programme costs to establish credibility of results reporting.

6. The proposed integrated results management framework (IRMF) presented as **Annex I** to this document aims to respond to the Board's mandate to revise the GCF's initial RMF and ensure better integration with other policies, including the initial IF. A separate paper responding to M&E gaps in the portfolio was prepared for B.25 and has been updated prior to B.27<sup>2</sup>.

7. It is also noted that one of the recommendations in the Replenishment Summary Report, which the Board agreed under Decision B.24/02 to further consider in conjunction with items on its work plan, relates to implementing an updated results management framework, integrated with a resources management framework, that allows measurement and reporting of how all funded activities and operations contribute to overall GCF's strategic objectives and Paris Agreement goals.

## II. Policy rationale

8. Beyond the IEU review findings described above, the context for GCF's operations has evolved significantly since the initial RMF was adopted at the seventh meeting of the Board (B.07) in 2014. Major developments include the adoption of the Paris Agreement in 2015 and the Board's endorsement of an initial Strategic Plan for the Fund in 2016 that set out a long-term vision of promoting paradigm shift towards low emission climate resilience in the context of sustainable development and supporting the implementation of the Paris Agreement. In 2019, the GCF successfully completed its first replenishment (GCF-1) and the Board is updating the GCF's Strategic Plan for the GCF-1 period (2020-2023), including setting objectives, strategic and operational priorities.

9. These developments have together helped to clarify and refine the GCF's overall vision for delivering results. Accordingly, the IRMF is proposed in consideration of the IEU review and the updated strategic context of the GCF as well as the Secretariat's experience and lessons learnt in implementing the initial RMF during the IRM period. Built upon the initial RMF, the IRMF aims to update the GCF's results management architecture to be "fit-for-purpose" for the GCF-1 programming, enabling the GCF to consistently and credibly measure and report the results of its funded activities.

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<sup>2</sup> The GCF has provided its stakeholders and partners with further guidance on M&E requirements including budgeting for M&E activities through the GCF's programming manual released in July 2020 which are being systematically applied in review of funding proposals.

### III. Analysis of policy proposal

10. The IRMF is a tool to determine how progress towards results should be measured, reported and analysed, including ways learning can be captured and fed back into GCF decision-making processes. Aligned with GCF's Governing Instrument, the IRMF will be used to measure results and performance of the GCF portfolio against the indicators and will be reviewed periodically in order to support the continuous improvement of the Fund's impact, effectiveness and operational performance. The IRMF establishes requirements and processes for project/programme-level monitoring, but also defines how project/programme-level data will be aggregated to report on the GCF's sector (eight result areas) and portfolio-level progress.

11. The proposed IRMF set out in **Annex I** aims to build on the initial RMF, by addressing gaps and weaknesses identified during its implementation and setting out a clearer, more complete and coherent architecture for GCF results management directed at two main objectives: (i) facilitating more consistent and credible reporting of climate results of GCF-funded projects/programmes, that can be aggregated and reported at the portfolio level; and (ii) allowing the GCF to start assessing the contribution of its investments to promoting paradigm shift towards low-emission and climate-resilient development pathways and supporting implementation of the UNFCCC and Paris Agreement.

12. The IRMF has been designed to improve alignment with other GCF policy frameworks, most notably the initial IF, while respecting the different purposes of each framework: the initial IF continues to guide *ex-ante* assessment of projects/programmes for approval (based on six investment criteria and underlying sub-criteria) while the IRMF will be applied to manage *ex-post* results of approved projects/programmes in a more granular and structured way against the investment criteria. The IRMF is not intended to modify the initial IF or the GCF's eligibility criteria but to operate consistently with them. The initial IF (supported by the investment criteria scorecard) outlines the rationale for GCF support and help to assess funding proposals against – among others – a prospect of project's/programme's **results potential**, specifically potential for delivering (i) **climate impact** (ii) **paradigm shift** and (iii) **sustainable development**. Hence, while the initial IF establishes intended results in these domains, the IRMF sets a framework for measuring progress against the intended results outlined in a funding proposal and tracks to what extent the **actual results** are achieved. This is done through application of a structured reporting system and qualitative indicators that help illustrate context and sector-specific narrative results achieved on the above domains through the use of scorecards. By allowing more granular, qualitative results to be captured, the IRMF lets the GCF develop a deeper understanding of not just what results are achieved, but why and how results are achieved.

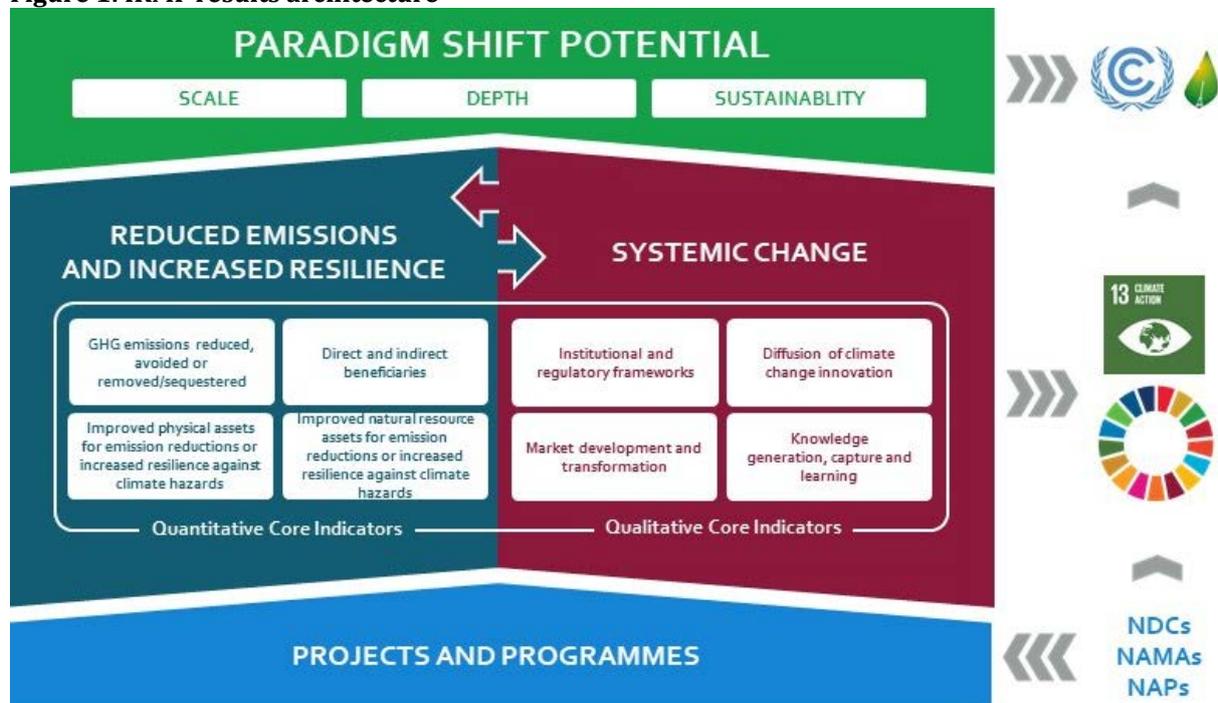
13. The IRMF maintains the flexibility that was identified as a strength of the initial RMF while addressing gaps and weaknesses identified in the initial RMF. For example, it keeps the principle of the GCF's mitigation and adaption logic models supported by the eight result areas, and core quantitative indicators (e.g. GHG emissions and number of beneficiaries) to measure the extent of project/programme's contribution to these results areas.

14. With regard to addressing gaps, the IRMF will introduce a set of four new qualitative indicators to assess and track project/programme's contribution to systemic change (see paragraphs 31-37). In addition, the IRMF will introduce two additional core quantitative indicators to measure project/programme's progress towards the eight results areas. The two quantitative indicators assess the improvement in man-made physical assets (value in USD) and natural assets (hectares) brought about to strengthen climate change resilience and or increase resilience (see paragraphs 24-30). To varying degrees, these six additional indicators are already measured and reported in the initial RMF but in an unstructured manner with lack of

guidance on their application<sup>3</sup>. In this sense, the development of the IRMF is an evolutionary, rather than a revolutionary process.

15. The overall structure of the IRMF structure is set out in **Figure 1** below.

**Figure 1: IRMF results architecture**



16. This architecture is designed to measure results at three levels:

17. **GCF impact level - Paradigm shift potential:** Paradigm shift is a long-term process that involves the irreversible transition of sectors, countries or regions to low-emission and/or climate resilient development. The initial IF defines paradigm shift potential as ‘degree to which the proposed activity can catalyse impact beyond a one-off project or programme investment’. In line with the initial IF, the GCF has been supporting paradigm shift through all its investments and it is crucial that the GCF measures contribution to paradigm shift. The IRMF sets out this measurement framework for paradigm shift by assessing ‘the degree to which the proposed activity can catalyse impact beyond a one-off project or programme investment’ through three key dimensions, simplified for measurability – Scale, Depth, and Sustainability. The three dimensions of paradigm shift potential can be informed by observable outcomes of projects/programmes at the interdependent result layers of “Reduced Emissions and Increased Resilience” and “Systemic Change”, which together indicate potential pathways to paradigm shift. In particular, the “Systemic Change” result layer is designed to put in place mechanisms to measure ‘enabling environment’ such as the availability of institutional and regulatory frameworks, innovation, market development, and knowledge generation, which can lead to paradigm shift.

18. Definitions of what will be measured during implementation or ex-post under three dimensions of paradigm shift potential are set out below:

<sup>3</sup> For instance, the outcome-level mitigation indicator 5.0 and adaptation indicator 5.0 on ‘strengthened institutional and regulatory systems for low-emission planning and development’ and ‘strengthened institutional and regulatory systems for climate responsive planning and development’ in the initial RMF are merged and transformed to the systemic change core indicator 5 on ‘institutional and regulatory framework’ in the IRMF; the initial RMF outcome mitigation indicator 9.1 on ‘hectares of land or forests under improved and effective management that contributes to CO2 emission reductions’ to the IRMF’s core indicator 4 on natural assets such as land and forest.

- **Scale:** Degree to which there has been a significant increase in quantifiable results within and beyond the scope of the intervention, including evidence of scaling up innovation and replication.
- **Depth:** Degree to which an intervention has been taken up in terms of shift in behaviour, markets, systems, policies and decision-making and embedded within the intervention's targeted groups and/or systems without equally increasing its cost base.
- **Sustainability:** Degree to which a structural, cultural and financial base has been created to support the desired change and is continued over time.

19. In conjunction with how paradigm shift is applied under the initial IF, under the IRMF measurement of paradigm shift potential will consist of several elements, including those in the initial RMF.

20. As in the current practice of the assessment against the initial IF (i.e. prior to project/programme approval), AEs will be required to describe what “paradigm shift potential” looks like for their project/ programme but against the three dimensions, also identifying how the project/programme will contribute to that. Developing project/programme-level definitions recognizes that paradigm shift is highly context-specific. For example, paradigm shift in a small island developing state will look different to paradigm shift in a large, populous country with diverse ecosystems. Project/programme-level descriptions of paradigm shift potential should be based on the three dimensions above, although recognizing those dimensions will have different “weights” and degrees of relevance depending on the precise nature of the project/programme.

21. AEs will then apply the measurement framework to track whether paradigm shift potential has been realised and to what extent the project has contributed to the potential against the three dimensions during the project/programme's lifespan through the interim and final project/programme evaluations<sup>4</sup>. This recognises that for many projects/programmes, observable effects during the project implementation period may be limited, with paradigm shift potentially realized over the longer term. In parallel, as in the current practice, AEs will continue to report on the progress towards paradigm shift in narrative format through Annual Performance Reports (APRs). In addition to these project level assessments to be managed by AEs, the GCF will conduct or commission verifications, as needed, at or after the end of the implementation period to confirm whether paradigm shift as defined by the GCF and described by AEs for the funded activity has occurred. Such an approach will aide consistency across projects/programmes and allow more structured reporting to the Board.

22. The evaluations undertaken by AEs in interim term and, more importantly, final term will be based on a scorecard approach similar to that applied for the IRMF's systemic change results. Each paradigm shift potential dimension is supported by an underlying “scorecard” that presents a set of statements defining what constitutes – for example – “weak” sustainability versus “strong” sustainability. The scale-based scorecards along with narratives are then used to assess (“score”) progress towards each dimension. The GCF Secretariat will analyse project/programme-level scorecard data in order to track portfolio-level trends across the three dimensions of paradigm shift potential. Given the emphasis on learning at this level, the Secretariat will continue to examine the portfolio's qualitative data collected through the APRs with a view to identifying emerging lessons and trends. These will, in turn, ensure lessons are fed back into GCF knowledge generation and decision-making processes.

23. **Annex II** provides an illustrative framework of measuring project/programme's contribution to paradigm shift which will be further developed and finalised by the GCF Secretariat upon adoption of the IRMF.

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<sup>4</sup> Paradigm shift potential in the context of adaptation is more strongly linked to indicators on policies, institutions and innovations under the systemic change.

24. **GCF outcome level - Reduced emissions and increased resilience (quantitative indicators):** This result level will capture and quantitatively aggregate key climate-focused results that are achieved by the GCF-funded projects/programmes. The results measurement indicators include those routinely used by other climate finance mechanisms; commonly tracked by national statistical authorities; and in alignment with the Sustainable Development Goals (SDGs). As the level's title suggests, this will necessitate AE to gather data on emission reductions and those who increased resilience or beneficiaries as well as on cross-cutting results such as man-made physical assets (e.g. buildings and roads); and natural resource assets (e.g. land, forest and ecosystem management) against climate hazards.
25. Four core quantitative indicators will be used to track progress at this result level:
- **Core indicator 1:** GHG emissions reduced, avoided or removed/sequestered, per relevant result area
  - **Core indicator 2:** Direct and indirect beneficiaries, per relevant result area
  - **Core indicator 3:** Improved physical assets for emission reductions or increased resilience against climate hazards, per relevant result area and asset type
  - **Core indicator 4:** Improved natural resource assets for emission reductions or increased resilience against climate hazards, per relevant result area and asset type
26. All GCF-funded projects/programmes will be required to monitor and report annually against either core indicator 1 or 2, or both, in line with the current practice under the initial RMF. Projects/programmes will also be required to monitor and report annually against core indicator 3 and 4 if these are relevant to the project/programme.
27. In addition to the four core indicators noted above, introduction of supplementary quantitative indicators (as detailed in **Annex I**) will allow the GCF to develop a more granular understanding of progress across eight result areas targeted by the GCF. Projects/programmes will be required to monitor progress against a supplementary indicator(s) as applicable.
28. The IRMF aims to disaggregate data by parameters such as results areas and sex as relevant to enable the Secretariat to undertake disaggregated analysis of portfolio data by these parameters. For example, sex-disaggregation will be introduced to core indicators 2 and its supplementary indicators which measure the number of individuals benefited from GCF's funded projects/programmes. At the project/programme level, AEs are encouraged to introduce additional gender and social inclusion related indicators in project/programme logical frameworks as relevant.
29. AEs will be responsible for tracking project/programme-level results against these core quantitative indicators per applicable result area and reporting against relevant core and supplementary indicators annually through an updated APR template. The GCF Secretariat will collate and aggregate project/programme-level data per core indicator to track portfolio-level results while the supplementary indicator data supports the granular understanding of the collated results achieved.
30. Initial guidance on the core quantitative indicators, including indicative measurement protocols, is set out in **Annex I**. Further guidance on core and supplementary indicators will be developed by the GCF Secretariat following the adoption of the IRMF.
31. **GCF outcome level - Systemic change (qualitative indicators):** Within the IRMF, the reduced emissions and increased resilience result level is most familiar to stakeholders who have worked with the GCF previously, as the underlying indicators are largely based on the GCF's initial RMF. However, the IRMF assumes that sustainable impacts – and paradigm shift – are most likely to be achieved if projects/programmes also explicitly target both quantitative results (reduced emissions and increased resilience) and qualitative results (systemic change). This assumption draws directly from (i) the initial IF's definition of paradigm shift as “systemic

change towards low-emission and climate-resilient development pathways” and (ii) GCF’s current and pipeline projects/programmes and their logical frameworks that need to address aspects of systemic change, though they do not specifically measure or track it beyond project activity and output level.

32. Four core qualitative indicators will be used to track progress on systemic change. Definitions of what will be measured against these are set out below:

- **Core indicator 5:** Institutional and regulatory frameworks – degree to which GCF investments contribute to strengthening institutional and regulatory frameworks for low carbon climate-resilient development pathways.
- **Core indicator 6:** Diffusion of climate change technology and innovation – degree to which GCF’s investments contribute to innovations not previously or widely demonstrated in a particular context and strengthen conditions which facilitate the effective development, uptake and transfer of innovations.
- **Core indicator 7:** Market development and transformation – degree to which GCF’s investments contribute to new markets and business activities at the sectoral, local, or national level and create enabling environments for market transformation.
- **Core indicator 8:** Knowledge generation, capture and learning – degree to which GCF’s investments contribute to effective knowledge generation and learning processes, and use of good practices, methodologies and standards for aligning financial flows with the goals of the Paris Agreement and sustainable development.

33. The systemic change core indicators are intended to track the progress of approved projects/programmes against the initial IF criteria in a more granular and structured way. The four core qualitative indicators are strongly aligned with the following four activity-specific sub-criteria under paradigm shift potential criterion in the initial IF: (i) potential for strengthened regulatory frameworks and policies to drive investment; (ii) innovation; (iii) market development and transformation; and (iv) contribution to the creation or strengthening of knowledge, collective learning. The initial IF will assess a robust theory against the activity-specific sub-criteria at the funding proposal development stage while the IRMF aims to measure how GCF projects/programmes have contributed to enabling conditions and environments for paradigm shift, measuring outcomes directly attributable to the GCF interventions against the systemic change core indicators.

34. The concept of working towards systemic change in tandem with reduced emissions and increased resilience is already inherent within existing GCF-funded projects/programmes. However, given the fact that GCF’s portfolio is still evolving, the initial RMF focused on the measurement of quantitative results. By strengthening focus on systemic change within the IRMF, data gathered will support a far deeper understanding of not just what climate results are being achieved, but why and how those results are being achieved. The IRMF assumes that – regardless of what the specifics of systemic change look like – projects/programmes will need to focus on qualitative assessments for systemic change to support the delivery and sustainability of broader climate impacts. For example, a project/programme that reduces emissions through decarbonisation of electricity supply (quantitative) will probably support development and strengthening of particular electricity regulatory bodies at sectoral, local or national level (qualitative).

35. Projects/programmes may only be targeting specific systemic changes. Therefore, all projects/programme do not necessarily have to track all four indicators. At a minimum, AEs should monitor at least two indicators, including knowledge generation, capture and learning (core indicator 8).

36. Monitoring of systemic change will be based on an annual scorecard assessment to be made available on the updated APR template. Each qualitative indicator is supported by an

underlying “scorecard” that presents a set of statements defining what constitutes – for example – “weak” contribution to institutional and regulatory frameworks versus “strong” contribution to institutional and regulatory frameworks, while also allowing projects/programmes to reflect their contribution to increased levels of social inclusion and gender equality. The scale-based scorecards are then periodically used to assess (“score”) progress towards each indicator. The GCF Secretariat will then analyse project/programme-level data in order to track portfolio-level trends.

37. Initial guidance on measuring systemic change is provided in **Annex IV**. Further guidance will be developed by the Secretariat after adoption of the IRMF.

38. **Project/programme level:** As it has been the current practice, AEs will develop project/programme-level theory of change (TOC), logical frameworks and measurement approaches which will be linked to the GCF’s overarching results framework (IRMF or the initial RMF for existing projects/programmes).

39. Based on the policy rationale and proposal above, key design principles of the IRMF are as follows:

- (a) **Fewer and more consistent indicators and compatibility with other climate finance mechanisms and national statistics systems:** The IRMF proposes 23 core and supplementary indicators compared to 41<sup>5</sup> under the initial RMF/PMFs. Recognizing that under the initial RMF some indicators were too broad in their definition for AEs to report against, the IRMF aims to build on indicators in the initial RMF and include SMART<sup>6</sup> indicators for mitigation and adaptation activities. These are mapped against the initial IF and indicators used by other climate finance mechanisms and national statistical authorities to build complementarity and coherence and ensure maximum familiarity to a range of AEs.
- (b) **Flexibility with methodological rigor:** The IRMF gives AEs flexibility to select indicators most relevant to the project/programme and facilitate measurement of multiple and integrated benefits across mitigation and adaptation as well as result areas. AEs will be encouraged to incorporate indicators relevant to the nature of funded activities. This will allow for more meaningful aggregation and comparison across projects/programmes.
- (c) **Measuring paradigm shift potential:** The IRMF recognizes the importance of the GCF having a results framework that looks at multiple causal pathways toward the GCF’s ultimate objective of promoting paradigm shift and an understanding of how paradigm shift potential is delivered. The IRMF accordingly introduces approaches for evaluating GCF’s impact in contributing to paradigm shift through application of scorecard. At the GCF outcomes level, it reflects the view that paradigm shift will be enabled through a combination of actions to reduce emissions and increase resilience, along with work to deliver systemic change<sup>7</sup>.

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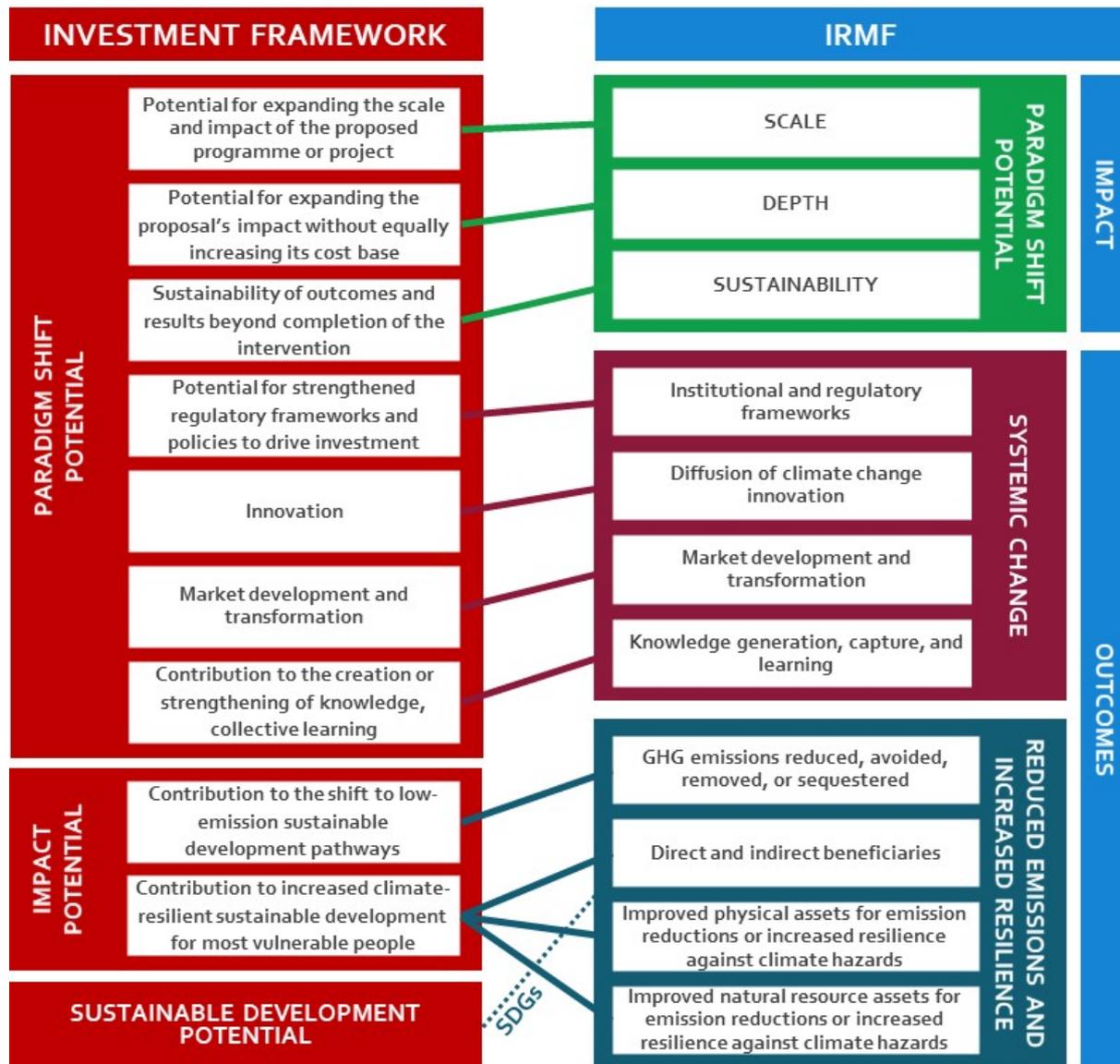
<sup>5</sup> The Secretariat undertook an analysis which revealed there are a total of 41 indicators, including indicators in the current PMFs and initial logic model for Reducing Emissions from Deforestation and forest Degradation, and the role of conservation, sustainable management of forests, and enhancement of carbon stocks (REDD+) results-based payments.

<sup>6</sup> Specific, measurable, attainable/achievable, realistic/relevant and time bound.

<sup>7</sup> For instance, systemic change core indicators 6 and 7 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

- (d) **Results management in alignment with the IF criteria:** The IRMF seeks to utilize measurements which mirror the initial IF criteria and activity-specific sub-criteria adopted in Decision B.09/05. The IRMF measures paradigm shift potential (outcomes which, in many instances, may only be measurable beyond a project’s/programme’s lifetime<sup>8</sup>) and systemic change (outcomes directly attributable to a project/programme). Linkages between the initial IF sub-criteria and IRMF are illustrated in **Figure 2** below and **Annex V**.

**Figure 2: Alignment of the initial IF with the IRMF<sup>9</sup>**



(Sustainability). Evidence for this would draw from both the reduced emissions and increased resilience indicators as well as the systemic change indicators.

<sup>8</sup> In the IRMF, it refers to the project life cycle that consists of the stages a GCF’s project/programme goes through as it progresses from inception to completion.

<sup>9</sup> As described in paragraph 12, the IRMF is designed to allow for more granular measurement of actual results against the IF criteria of (i) paradigm shift potential (ii) impact potential and (iii) sustainable development potential. For the other Initial IF criterion, “Efficiency and Effectiveness”, “Country Ownership” and “Needs of Recipients” results can be tracked through other means, including the results tracking tool (for efficiency and effectiveness) and country-level and thematic evaluations (for country ownership and needs of recipients).

- (e) **Encouraging participatory approaches:** The IRMF builds on participatory monitoring approaches as encouraged by the Monitoring and Accountability Framework (MAF), utilizing qualitative scorecard assessments and evaluations at different levels of the results architecture, and encouraging multi-stakeholder participation in M&E activities to an extent possible. Wider stakeholder engagement might be appropriate particularly for AE's project interim and final evaluations to strengthen reliability and validity of the findings.
- (f) **Focus on learning and not just accountability:** The IRMF includes learning loops that can track progress towards change, support adaptive management and map out required capacity and resources to be operationally effective.
- (g) **Clear focus on integrating gender and social inclusion:** The IRMF aims to support assessments as to how women and men are benefitting from GCF interventions. Sex-disaggregation is included as a requirement for core quantitative indicators 2 and its supplementary indicators. In addition, qualitative results against gender and social inclusion will be reported in narrative format through the paradigm shift potential and systemic change indicators as the scorecards have assessment criteria for gender and social inclusion where relevant. The ex-ante gender assessment and gender action plan are monitored and assessed through APRs as in the current practice.
- (h) **Simplicity in implementation and avoiding system lock-down:** The IRMF follows the general principle that indicators and monitoring methodologies require a simpler approach and a proper amount of resources to be prioritized. The IRMF maintains flexibility allowing it to adjust to the GCF's evolving strategy and learning.

## IV. Consultations

40. The development of the IRMF has been informed by (i) the initial IF, investment criteria scorecard, initial RMF, and PMFs, (ii) external documentation including benchmarking against results management approaches, indicators, measurement and evaluation methodologies in other climate finance mechanisms and multilateral organisations, and (iii) stakeholder consultations with:

- (a) GCF Secretariat staff;
- (b) Board Members/Alternate Board Members and Advisors during the twenty-third meeting of the Board (B.23), the twenty-fourth meeting of the Board (B.24), the twenty-fifth meeting of the Board (B.25), and the twenty-six meeting of the Board (B.26);
- (c) National Designated Authorities (NDAs) and/or AEs during B.23, B.24, B.25 and B.26; and
- (d) GCF country focal points, NDAs and AEs through three country visits.<sup>10</sup>

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<sup>10</sup> Colombia, Georgia and Namibia were selected based on levels of experience with the GCF and geographical diversity. The objective of the country visits was to understand: (i) monitoring and reporting processes at the country level (ii) options for mainstreaming of national systems in the GCF reporting processes and (iii) capacities of NDAs and AEs, their familiarity with the GCF's results architecture, and needs for training. Country visits reiterated that: the GCF's results architecture is difficult to understand, as there are different frameworks, which are neither fully aligned nor coordinated measuring paradigm shift potential is challenging. Respondents in country visits agreed that the IRMF should be simple and easy to work with and results should utilize country systems and processes, wherever possible. In addition, methodological guidance and tools for indicators and training on the application of measurement systems are essential.

## V. Policy linkages

41. The IRMF has been developed to consider operational and policy requirements set out in the GCF's existing policy suite, particularly to more explicitly align with the initial IF and build on accountabilities outlined under the MAF.

42. Below are the GCF Board decisions and documents linked to the development of the integrated RMF:

- (a) Financial Terms and Conditions of the Fund's Instruments (decision B.09/04)
- (b) Guidelines for Enhanced Country Ownership and Country Drivenness (decision B.17/21)
- (c) Indigenous Peoples Policy (decision B.19/11)
- (d) Initial Modalities for the Operation of the Fund's Mitigation and Adaptation Windows and the Private Sector Facility (decision B.06/04)
- (e) Initial monitoring and accountability framework for accredited entities (decision B.11/10)
- (f) Initial Results Management Framework of the Fund (decision B.07/04) and Further Development of the Initial Results Management Framework (decision B.08/07)
- (g) Investment Framework (decision B.07/06); Further Development of the Initial Investment Framework: Sub-criteria and Methodology (decision B.09/05)
- (h) Policies and Procedures for the Initial Allocation of Fund Resources (decision B.06/06)
- (i) Results Management Framework: Independent Evaluation Unit Recommendations to improve the Results Management Framework – Final Report (decision B.22/12)
- (j) Review of the initial investment framework: Policy on co-financing (decision B.24/14)
- (k) Risk Management Framework (decision B.17/11, B.19/04 and B.23/14)
- (l) The Strategic Plan for the GCF: 2020–2023 (decision B.24/03)
- (m) Updated Gender Policy and Gender Action Plan 2020-2023 (decision B.24/12)

## VI. Implementation arrangements and operational impact

### 6.1 Application of the IRMF

43. In light of the likely timeframes required to complete the steps toward effective implementation, this policy will only apply to funding proposals (FPs) submitted to the Board after B.29. Following adoption of the IRMF, the Secretariat will update the FP template and develop accompanying guidance by B.28. The deadline for the IRMF effectiveness date is B.30. What this means is that all FPs including new projects/programmes and resubmissions for Board consideration by B.30 must use the new FP template aligned with the IRMF.

44. The IRMF will not be applied retroactively to FPs approved at or prior to B.29. The existing projects will continue to report against the initial RMF. Since there are significant overlaps in the initial RMF and IRMF, implementation of the IRMF will require adjustment of the FP and APR templates. The templates will include new scorecards as annexes such that projects/programmes approved under both the initial RMF and IRMF use the same templates as applicable and that their results can be reported consistently across the portfolio for appropriate aggregation and analysis.

45. Changes in reporting requirements derived from the IRMF will need to be incorporated into funded activity agreements (FAAs) with AEs for new projects, and AEs will be required to abide by them. The IRMF will not necessitate an amendment of legal agreements with AEs as it is not applied retroactively to the projects approved at or prior to B.29.

46. The IRMF will not apply to the Readiness and Preparatory Support Programme (RPSP), as the RPSP has its logical framework.

## 6.2 Implementation of the IRMF

47. The following steps will be required to implement the IRMF:

- (a) Following adoption of the IRMF, the Secretariat will update the FP template and accompanying template guidance.
- (b) Subsequently, the Secretariat will prepare a comprehensive Results Handbook detailing step-by-step technical guidance on the implementation of the IRMF including a revised APR template and update the Programming Manual and Operations Manual to reflect the IRMF results architecture and indicators. The Handbook will mainly cover, among others, the following: (i) further development of indicators guidance sheets including supplementary indicators, (ii) guidance on baseline development, means of verifications, scoring and assessment approaches of the scorecards.
- (c) The Secretariat will work with AEs and provide support as necessary to facilitate submissions of FPs in the updated template in line with the IRMF, ensuring all FPs articulate a clear TOC and logical framework showing strong causal linkages between project/programme-level outputs, outcomes and broader climate impacts and indicate clear timeframes for achievement of, and reporting on, expected results. The Secretariat will also work with AEs to ensure adequate budgeting for M&E in FPs, term sheets and FAAs.
- (d) The Secretariat will conduct training sessions for AEs and NDAs to kick-start initial implementation of the IRMF.
- (e) The Secretariat will, through future annual work programmes and administrative budgets, ensure adequate human, financial and other resources for the timely and adequate implementation of the IRMF.
- (f) The Secretariat is currently developing an online-based portfolio performance management system (PPMS) to better monitor and assess the implementation performance of individual projects/programmes under its portfolio. Following the adoption of the IRMF, the PPMS will be upgraded to ensure that the IRMF reporting process is reflected and streamlined. The PPMS will allow AEs to prepare, submit and track APRs in a more systemic and streamlined manner with establishment of a single communication channel with the Secretariat on results reporting.

48. **Annex VII** provides an overview of roles and responsibilities of GCF and its stakeholders for its implementation.

## 6.3 Development of RTT

49. In parallel to the finalization of the IRMF, the Secretariat has developed for the Board's consideration a result tracking tool (RTT) for GCF-1 period (a sample is provided in Annex VIII). The RTT will use the results architecture of the IRMF, and link climate results to resourcing and organizational results, to enable holistic reporting of GCF's performance in delivering results under its updated Strategic Plan for GCF-1.

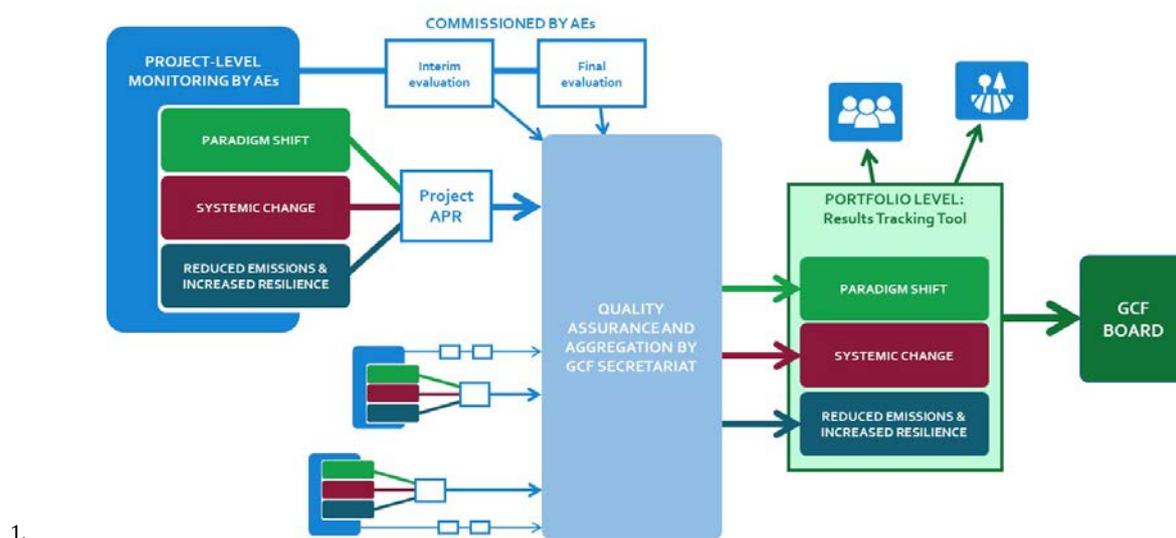
50. The Secretariat will operationalize the RTT with data collected through the implementation of the IRMF, as well as other portfolio and institutional data available internally. Reporting is intended to be carried out annually as part of the Report on Implementation of the Strategic Plan as soon as it is adopted by the Board.

## 6.4 Monitoring and reporting under the IRMF

51. For FPs to be submitted to the Board after B.29, AEs will prepare for the implementation of IRMF reporting structure. As it has been the current practice, AEs will develop project/programme-level theory of change (TOC), logical frameworks and measurement approaches during the funding proposal development stage, which will be linked to the IRMF (e.g. currently the initial RMF). In brief:

- (a) On its funding proposal, AEs describe and finalise paradigm shift potential in accordance with the initial IF criteria. AEs also identify and embed applicable core indicators and supplementary indicators from the IRMF into their project/programme level logical framework (logframe) and establish baselines. They are encouraged to include co-benefit indicators such as bio-diversity, social inclusion, and/or poverty alleviation in the project/programme logframes as relevant. AEs link outcomes and indicators within the project/programme logframe to relevant eight result areas targeted under the IRMF to ensure systematic linkage and contribution of the project/programme results to the GCF's targeted result areas.
- (b) During implementation, as with the initial RMF, AEs monitor and report its project/programme's progress annually through APRs including progress against the project/programme logframe that contains both the project specific indicators as well as core and supplementary quantitative indicators from the IRMF.
- (c) AEs report annually on relevant core qualitative indicators for systemic change via the dedicated scorecard sheet available in the APR template.
- (d) AEs assess and report twice during its project/programme lifespan (in interim and more importantly final evaluations) on its contribution to paradigm shift by applying the scorecard approach.

**Figure 3: Reporting process<sup>11</sup>**



1.

<sup>11</sup> Programme/project-level outcomes and outputs will be managed under individual logical frameworks and not aggregated at the portfolio level.

## 6.5 Budgetary implications

52. The Secretariat does not expect additional resources in 2020 to implement the IRMF, with next steps toward implementation, including external consultancy support for the development of guidelines which was already provisioned for in the Secretariat's 2020 Work Programme and administrative budget. However, the Secretariat does anticipate additional resources over time to effectively implement the GCF's results architecture and ensure the robustness and credibility of GCF results monitoring, reporting and evaluation, along with training for AEs/NDAs. This reflects natural growth of results management functions as the portfolio expands and moves further into implementation and the focus on GCF results reporting increases. The Secretariat also anticipates a need to strengthen capabilities for ex-post verifications and reviews in order to gather a full picture of results beyond the implementation lifetime of projects/programmes, as well as to provide AEs with associated advisory services and support. Finally, the Secretariat, in keeping with the GCF's initial MAF principles, anticipates additional resource requirements to engage NDAs. This is to provide support and to ensure that NDAs sustain an environment for participation and engagement among GCF stakeholders, including AEs, and civil society groups and to assess how GCF investments have contributed to climate results, in line with the IRMF. Additional resources would be covered through future annual work programmes and budgets as the portfolio under implementation expands.

53. For AEs, the expected increase in M&E costs related to the IRMF implementation will be factored at the funding proposal development stage through dedicated M&E budget lines<sup>12</sup> and reviewed by the Secretariat and independent Technical Advisory Panel (iTAP) prior to the Board consideration. To optimize the implementation of the IRMF, AEs will be required to adequately budget for M&E in close consultation with the Secretariat.<sup>13</sup>

## VII. Monitoring and review

54. The IRMF will be reviewed in the third year of GCF's replenishment cycle, as part of the overall policy review cycle.

55. For the GCF-1 period, the review will focus on steps taken to implement the IRMF and degree of its implementation, both internally within the GCF and externally by AEs and NDAs; highlight any outstanding challenges, including related to external capacity gaps and opportunities to improve the efficient implementation of the policy; provide further recommendations on how it can be implemented in the most cost-effective and efficient manner.

56. Subsequent reviews of the IRMF will consider alignment with future Strategic Plans and programming directions and assess the policy's fitness for purpose in supporting the measurement of results in the context of GCF's strategic objectives.

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<sup>12</sup> In Funding proposal's annex 11 on M&E plan and budget.

<sup>13</sup> In GCF's context, this could vary depending on the size, scale, complexity of the project/programme. In any event, budgetary resources complemented by sufficient technical and human resources should be factored in by AEs to credibly report on actual results, as the portfolio matures.

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## Annex I: Integrated Results Management Framework

### I. Objective

1. The Integrated Results Management Framework (IRMF) sets out GCF's approach to measuring how its investments deliver climate results and how its results contribute to the Fund's overall objectives of promoting paradigm shift towards low-emission and climate-resilient development pathways in the context of sustainable development and supporting implementation of the Paris Agreement and UNFCCC, as set out in its Governing Instrument and initial Strategic Plan.
2. Built on the initial RMF, the IRMF establishes an updated GCF results architecture including levels at which results will be measured, indicators and measurement approaches. It clarifies roles and responsibilities for results management and reporting. The IRMF establishes reporting requirements and processes for project/programme level monitoring.
3. The IRMF is designed to be fully aligned with the initial Investment Framework (initial IF) which governs assessment and selection of projects/programmes based on their potential results ("ex-ante"), while the IRMF enables definition, measurement and reporting of actual results ("ex-post").

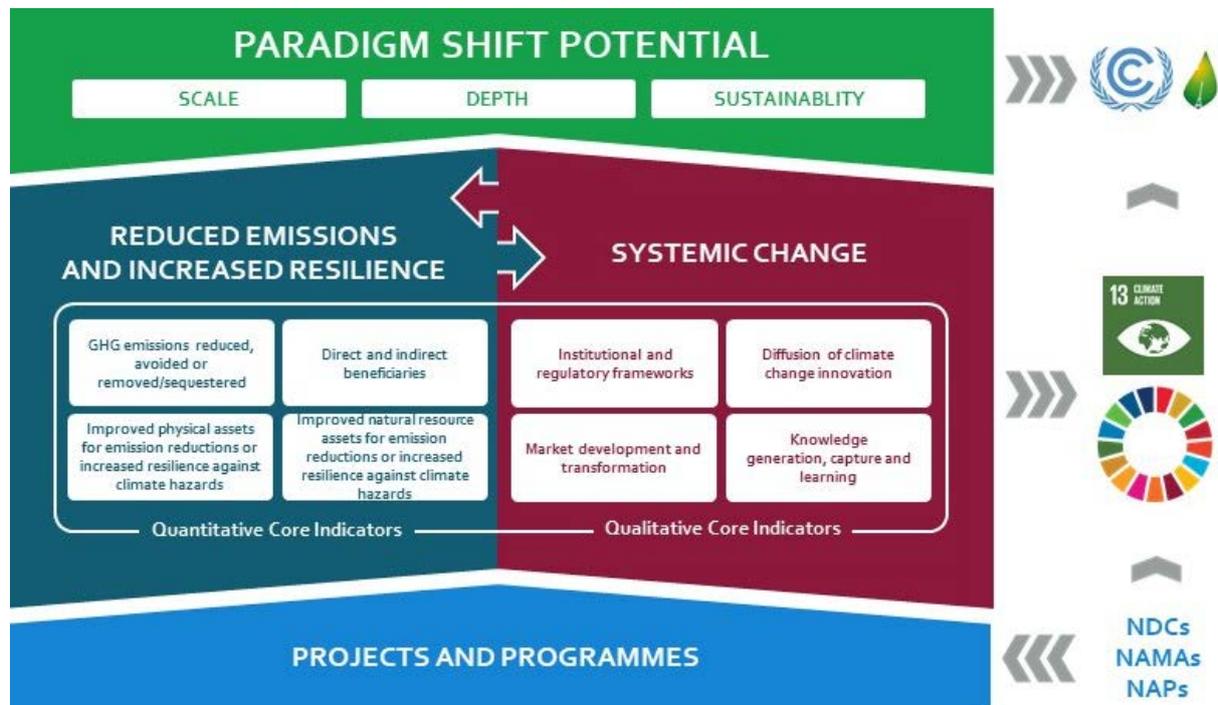
### II. Scope

4. The IRMF applies to projects/programmes approved by the GCF Board after the twenty ninth meeting of the Board (B.29) using the new funding proposal (FP) template to be issued by the Secretariat by B.28. All new FP submissions after B.28 must use the new FP template incorporating the IRMF. The deadline for the IRMF effectiveness date is B.30. Accordingly, all existing pipeline FPs including resubmissions for Board consideration by B.30 are required to use the new FP template to ensure alignment with the IRMF. In relation to such projects/programmes, the IRMF supersedes both the initial RMF (Decision B.07/04) and PMFs (Decision B.08/07).

### III. Overall structure of the IRMF

5. **Figure 1** presents the overall structure of the IRMF, of three result measurement levels along with GCF's eight result areas: (a) GCF impact level - paradigm shift potential; (b) GCF outcome level – (i) reduced emissions and increased resilience and (ii) systemic change; and (c) project/programme level.

**Figure 1: Overall structure of the IRMF**



### 3.1 Result areas

6. The IRMF will be based on eight result areas which are originated from GCF's mitigation and adaptation logic models of the initial RMF. These result areas are shown in **Figure 2**. The framework recognizes that projects/programmes may be cross-cutting across these result areas. Each of project/programme outcomes within a project/programme logical framework (logframe) will be linked to one of these result areas, and this will facilitate systematic results reporting against the IRMF.

7. The eight result areas are as follows.

(a) Mitigation - Reduced emissions from:

- (i) energy generation and access
- (ii) low-emission transport
- (iii) buildings, cities, industries and appliances
- (iv) forestry and land use

(b) Adaptation - Increased resilience of:

- (i) most vulnerable people and communities
- (ii) health, well-being, food and water security
- (iii) infrastructure and built environment
- (iv) ecosystems and ecosystem services

**Figure 2: GCF result areas and relevant quantitative indicators**

**Mitigation result areas**

 <p><b>Result Area 1</b> Energy generation and access (Core 1)</p>	 <p><b>Result Area 2</b> Low-emission transport (Core 1)</p>	 <p><b>Result Area 3</b> Buildings, cities, industries and appliances (Core 1 and 3)</p>	 <p><b>Result Area 4</b> Forestry and land use (Core 1 and 4)</p>
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**Adaptation result areas**

 <p><b>Result Area 5</b> Most vulnerable people and communities (Core 2)</p>	 <p><b>Result Area 6</b> Health, well-being, food and water security (Core 2)</p>	 <p><b>Result Area 7</b> Infrastructure and built environment (Core 2 and 3)</p>	 <p><b>Result Area 8</b> Ecosystems and ecosystem services (Core 2 and 4)</p>
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## 3.2 Result levels

8. Result levels of the IRMF have been structured following the logic that pathways to paradigm shift can be achieved where GCF-funded activities define and target a combination of outcomes to both reduced emissions and increased resilience and systemic change. As shown in **Figure 1** above, the IRMF seeks to track and manage results at the following levels:

- (a) **GCF impact level – paradigm shift potential:** aims to measure GCF’s contribution to paradigm shift, in the context of supporting implementation of the UNFCCC and Paris Agreement. Paradigm shift potential is informed by both observed results at the interdependent “GCF outcome” level (per below) and measured by three key dimensions of paradigm shift potential (Scale, Depth, and Sustainability). These are typically delivered beyond the lifetime of a project/programme and may not be directly attributable to GCF interventions only.
- (b) **GCF outcome level:** aims to measure observable outcomes of GCF funded projects/programmes across the below two interdependent layers which interact to underpin pathways to paradigm shift.
  - (i) **Reduced GHG emissions and increased resilience:** aims to measure quantified mitigation and adaptation outcomes delivered by GCF projects/programmes and which are attributable to the GCF interventions; and
  - (ii) **Systemic change:** aims to measure how GCF projects/programmes have contributed to enabling conditions and environments for paradigm shift, measuring outcomes attributable to the GCF interventions.
- (c) **Project/Programme level outcomes and outputs:** As in the current practice, AEs will have a project/programme level logframe to monitor and assess project/programme’s specific progress, results and co-benefits.

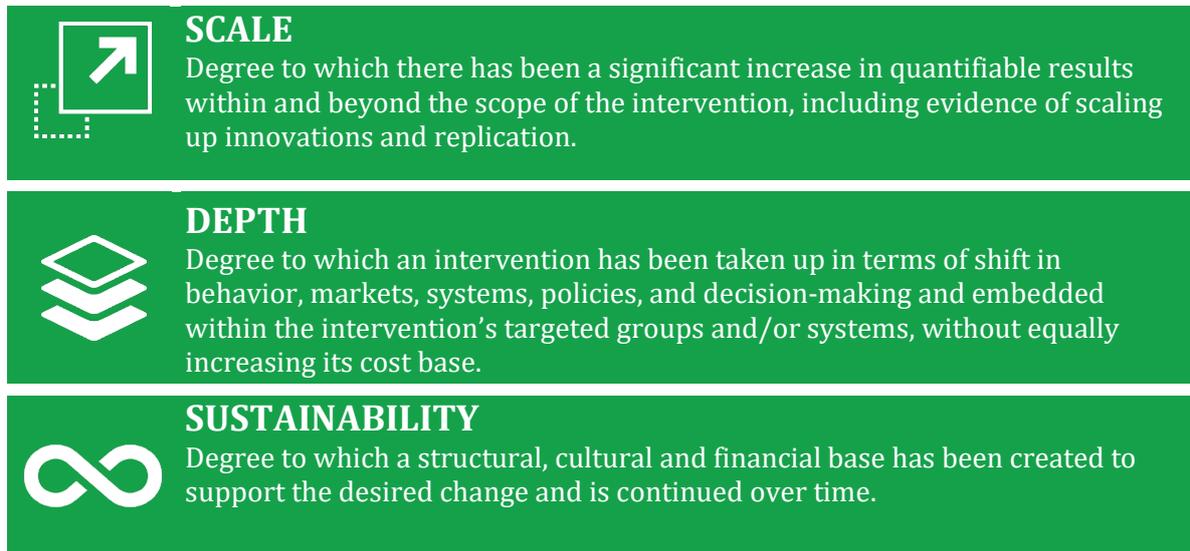
## IV. Indicators, measurement and reporting approaches

9. This section provides rationales and definitions for each of the three result levels, along with reporting processes to be applied during the IRMF implementation.

### 4.1 Paradigm shift potential

10. The initial IF defines paradigm shift potential<sup>1</sup> as ‘degree to which the proposed activity can catalyse impact beyond a one-off project or programme investment’. In line with the initial IF, the GCF has been supporting paradigm shift through all its investments and it is crucial that the GCF measures the contribution of funded activities to paradigm shift. The IRMF through the ‘GCF impact level – paradigm shift potential’ sets out this measurement framework for paradigm shift by applying the below three dimensions (Scale, Depth, and Sustainability) to assess to what extent and how projects/programmes are contributing to the paradigm shift. The definitions of the three assessment dimensions are provided in **Figure 3**.

**Figure 3: Dimensions of paradigm shift potential**



11. Typically, these dimensions may be assessed beyond a project’s/programme’s lifetime and cannot be easily attributable to the GCF investments alone<sup>2</sup>.

12. Measurement and reporting of paradigm shift potential will be carried out as follows:

- (a) During the funding proposal development stage, AEs will describe for each project/programme what “paradigm shift potential” looks like in the relevant project/programme context, and how the project/programme will contribute to that shift, with reference to the three dimensions of scale, depth, and sustainability in an updated FP template. This recognizes that ‘paradigm shift potential’ is highly context-specific and looks different depending on a project’s/programme’s result area(s), country, sector and starting conditions.

<sup>1</sup> Initial Investment Framework, Decision B.07/06 and Decision B.09/05.

<sup>2</sup> While the IRMF’s scope focuses on capturing the ‘contribution’ to paradigm shift, the assessment of higher-level ‘attribution’ can be undertaken primarily in “qualitative” ex-post review or evaluations to be conducted or commissioned by the GCF.

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- (b) AEs should, as part of interim and final evaluations, include self-assessments on whether and how projects/programmes are contributing to realizing paradigm shift against the three dimensions, based on observable progress during the project/programme implementation. The scorecard approach will be employed for these assessments. Following the adoption of the IRMF, the Secretariat will produce the Results Handbook to provide the technical guidance and tools covering these dimensions of paradigm shift potential and using scale-based scores to gauge progress on each dimension.
- (c) During the project/programme implementation, AEs will continue to report on the progress for achieving paradigm shift in narratives through APRs if observed as in line with the current practice.
- (d) The GCF Secretariat will analyze all project/programme-level reporting in order to track portfolio-level trends across the three dimensions of paradigm shift potential. The Secretariat will also be responsible for continuous examination of the portfolio's narratives from APRs, with a view to identifying emerging lessons and trends relevant to paradigm shift. These will, in turn, ensure lessons are fed back into GCF knowledge generation and decision-making processes.
- (e) Post project/programme-completion, the GCF may commission evaluations on specific aspects that have contributed to paradigm shift. Such evaluations may be done either by the Secretariat, GCF's Independent Evaluation Unit (IEU) or through evaluation services commissioned by the GCF. The principles of being independent of AEs and managing learning and knowledge will guide the overall approaches and funding sources for the evaluations. The GCF's evaluation policy to be adopted by the Board will provide detailed guidance.

## 4.2 Reduced emissions and increased resilience

13. A 'GCF outcome result level - reduced emissions and increased resilience' will be measured through the below core indicators. These core indicators quantitatively track major climate-focused outcomes of GCF-funded projects/programmes and are aligned with those of other climate finance mechanisms; national statistical authorities; and the Sustainable Development Goals (SDGs).

- **Core indicator 1:** GHG emissions reduced, avoided or removed/sequestered, per result area
  - Thematic area: mitigation
  - Applicable result areas: all mitigation result areas 1, 2, 3, 4
  - Unit: tonnes of carbon dioxide equivalent
- **Core indicator 2:** Direct and indirect beneficiaries, per result area
  - Thematic area: adaptation
  - Applicable result areas: all adaptation result areas 5, 6, 7, 8
  - Unit: number of individuals by female and male
- **Core indicator 3:** Improved physical assets for emission reductions or increased resilience against climate hazards, per result area and asset type
  - Thematic area: mitigation or adaptation
  - Applicable result areas: mitigation result area 3 or adaptation result area 7

- Unit: Number or value of assets in USD
- **Core indicator 4:** Natural resource assets with strengthened low-emissions or increased resilience against climate hazards, per result area and asset type
  - Thematic area: Mitigation or adaptation
  - Applicable result areas: mitigation result area 4 or adaptation result area 8
  - Unit: hectare or proportion of assets with strengthened low emissions or increased resilience

14. AEs will monitor and report project/programme results against these core quantitative indicators under the project/programme logframe. AEs will define each project/programme's thematic area (e.g. mitigation; adaptation; or cross-cutting) and relevant result areas linked with the project/programme level logframe which in turn link to core quantitative indicators of the IRMF. Results reported against each core indicator will then be aggregated per result area of the portfolio first and ultimately at the entire portfolio level.

15. Since multiple outcomes can be reported against one single core indicator but within different result areas, there is a risk of double counting. For example, the same beneficiaries can be impacted by two outcomes along with adaptation result areas 5 (vulnerable people) and 6 (people who have increased access to clean water) respectively under one project/programme. This can cause double-counting of the beneficiaries at the portfolio level data if it is not carefully controlled in the IRMF reporting system. To avoid this, additional guidance on the practical distribution of results between project/programme outcomes or the results areas will be made available in the Results Handbook.

16. Core indicators come with a set of supplementary indicators, which are not intended to be aggregated under the respective core indicators but aim to give supplementary data for each project/programme as relevant<sup>3</sup>. If results can be measured against any supplementary indicators, they will be reported at the project/programme level but used as supplementary to a relevant core indicator. Other results, which cannot be measured against both core and supplementary indicators, will be considered project/programme-level outputs or co-benefits (spin-off effects) and reported in respective logframes<sup>4</sup>.

17. Core indicators and supplementary indicators are as set out in **Table 1** below.

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<sup>3</sup> For instance, the supplementary indicator 2.2 of 'direct beneficiaries with improved food security' shows the benefit specifically relates to reduced food security, which is part of result area 6 of 'Health, well-being, food and water security' and is not known from simply mapping the core indicator result to that result area.

<sup>4</sup> The results tracking tool (RTT) also mirrors the IRMF with regard to the applicability of indicators across GCF's eight result areas. Cross-cutting projects/programmes are expected to choose relevant core and supplementary indicators linked to both mitigation and adaptation result areas and all results against the selected indicators are tracked at the portfolio level. In the case of mitigation (or adaptation) projects/programmes that produce adaptation (or mitigation) co-benefits, the co-benefits would not be tracked the portfolio level, but at the project/programme level in respective logframes; AEs are allowed to flexibly choose and deploy any measurable indicators of co-benefits.

**Table 1: Core indicators and supplementary indicators for reduced emissions and increased resilience**

Indicator	Description	SDGs	Reference
<b>Core Indicator 1</b>	<b>GHG emissions reduced, avoided or removed/sequestered, per result area</b> (Unit: tCO <sub>2</sub> eq.) <sup>5</sup>  <b>Relevant result areas</b> Area 1: Energy generation and access Area 2: Low-emission transport Area 3: Buildings, cities, industries and appliances Area 4: Forests and land use		<b>Initial RMF</b>
<b>Supplementary indicator 1.1</b>	<b>Annual energy savings</b> (Unit: Megawatt-hours)	 	CIF (CTF)
<b>Supplementary indicator 1.2</b>	<b>Megawatt-hours energy storage system installed</b> <sup>6</sup> (Unit: Megawatt-hours)	  	New indicator
<b>Supplementary indicator 1.3</b>	<b>Installed capacity (MW) in energy access and power generation</b> <sup>7</sup> (Unit: Megawatts)	  	CIF (CTF)
<b>Supplementary indicator 1.4</b>	<b>Improved low-emission vehicle fuel economy</b> (Unit: Volume of fuel per kilometer)	  	ASEAN
<b>Supplementary indicator 1.5</b>	<b>Proportion of newly designed buildings performing green services</b> (Unit: Percentage %, proportion of newly designed buildings or performing green services)	  	LEED
<b>Core Indicator 2</b>	<b>Direct and indirect beneficiaries reached, per result area</b> (Unit: individual <sup>8</sup> disaggregated by female/male)  <b>Relevant result areas</b> Area 5: Most vulnerable people and communities Area 6: Health, well-being, food, and water security Area 7: Infrastructure and built environment Area 8: Ecosystems and ecosystem services	 	<b>Initial RMF</b>
<b>Supplementary indicator 2.1</b>	<b>Direct beneficiaries (female/male) adopting improved and/or new climate-resilient livelihood options</b> (Unit: individual)	  	PMFs/ LDCF/SCCF
<b>Supplementary indicator 2.2</b>	<b>Direct beneficiaries (female/male) with improved food security (reduced food insecurity)</b> (Unit: individual)	  	Initial RMF

<sup>5</sup> With annually collected data on core indicator 1, the GCF will also calculate and measure tCO<sub>2</sub>eq. per year.

<sup>6</sup> This indicator applies to renewable energy sources or generators.

<sup>7</sup> This indicator applies to renewable energy sources or generators.

<sup>8</sup> If data on individuals is not available, households could be reported and converted into individuals based on average number of people per household. The detailed guidance will be provided in the results handbook.

Indicator	Description	SDGs	Reference
Supplementary indicator 2.3	<b>Direct beneficiaries (female/male) with more climate-resilient water security</b> (Unit: individual)		UNICEF/Global Water Partnership
Supplementary indicator 2.4	<b>Direct beneficiaries (female/male) covered by new or improved early warning systems</b> (Unit: individual)		PMFs
Supplementary indicator 2.5	<b>Direct beneficiaries (female/male) adopting innovations that strengthen climate change resilience</b> (Unit: individual)		Recommended by the COP <sup>9</sup> Aligned with LDCF/SCCF
Supplementary indicator 2.6	<b>Direct beneficiaries (female/male) living in buildings that have increased resilience against climate hazards</b> (Unit: household or individual)		New indicator
<b>Core Indicator 3</b>	<b>Improved physical assets for emission reductions or increased resilience against climate hazards, per the following result area and type</b> (Unit 1: Number or dimension of assets expressed in relevant unit, e.g. km, ha) (Unit 2: USD)  <b>Relevant result area</b> Area 3: Buildings, cities, industries and appliances Area 7: Infrastructure and built environment		LDCF/SCCF/ AF
Supplementary indicator 3.1	<b>Business physical assets for emission reductions or increased resilience against climate hazards, by asset type</b> (Unit 1: Number or dimension of assets expressed in relevant unit, e.g. km, ha) (Unit 2: USD)		LDCF/SCCF/ AF
Supplementary indicator 3.2	<b>Public service physical assets for emission reductions or increased resilience against climate hazards, by asset type</b> (Unit 1: Number or dimension of assets expressed in relevant unit, e.g. km, ha) (Unit 2: USD)		AF
<b>Core Indicator 4</b>	<b>Improved natural resource assets for emission reductions or increased resilience against climate hazards, per the following result area and asset type</b> (Unit 1: Hectare) (Unit 2: Percentage %, proportion of natural assets with increased resilience)		GEF/CIF/AF

<sup>9</sup> The Secretariat considered COP decision 8/CP.23 18, which encouraged the Board to include in its annual report to the COP information on projects approved by the Board that support the innovation and/or scaling up of climate technologies. This was requested with a view to informing the Technology Mechanism of the UNFCCC as the Board undertakes further work on climate technology innovation by including a technology related indicator in the IRMF.

Indicator	Description	SDGs	Reference
	<b>Relevant result areas</b> Area 4: Forestry and land use Area 8: Ecosystems and ecosystem services		
<b>Supplementary indicator 4.1</b>	<b>Land or forest brought under climate-resilient management practices, by asset type</b> (Unit 1: Hectare) (Unit 2: Percentage, proportion of natural assets with increased resilience)	  	GEF/CIF (FIP)/AF
<b>Supplementary indicator 4.2</b>	<b>Ecosystems restored or protected to increase resilience against climate hazard, by asset type</b> (Unit 1: Hectare) (Unit 2: Percentage, proportion of natural assets with increased resilience)	   	GEF

18. The intensity<sup>10</sup> of core indicators and supplementary indicators will be measured through systemic change indicators in scorecards and narratives and project/programme-level logical frameworks.

19. By annually collecting financial and results data, the GCF will aggregate, track, and analyze its portfolio level results, and support to re-aligning finance flows consistent with a pathway towards low GHG emissions and climate-resilient development, as per Article 2.1c of the Paris Agreement.

20. Core indicator 2 and its supplementary indicators are disaggregated by sex to allow for the disaggregated analysis.

21. Measurement and reporting of reduced emissions and increased resilience will be carried out as follows:

- (a) During the funding proposal development stage, AEs will outline how proposed outcomes contribute either to core indicator 1<sup>11</sup> or core indicator 2, or both in the updated FP template. AEs should also select other core and supplementary indicators if relevant to their projects/programmes. As in the current practice of the initial RMF, AEs will then establish baselines<sup>12</sup> in the logical framework of the FP to enable comparison between a business-as-usual scenario and progress achieved as a result of the GCF's investments using a selected set of indicators. AEs will gather baseline data on the selected core and supplementary indicators, informed by relevant sector strategies and country programmes, and disaggregated data by regions, countries, theme, result areas and sex.
- (b) During the project/programme implementation, AEs will report annually to the GCF on actual results achieved during the reporting period through the updated APR template. While the indicators are primarily quantitative, reporting will be supported by qualitative assessments to explain expected or unexpected levels of progress, in line with monitoring provisions of the MAF.

<sup>10</sup> For instance, (i) how far interventions have actually contributed to decreasing damages to building infrastructure or enhancing the resilience; (ii) capacity of public or private entities to manage the financial, fiscal and economic impacts of climate-related events on physical assets; (iii) the degree of utilization of climate information services; (iv) the increased efficiency of the results on those who are connected with new water management systems.

<sup>11</sup> The Secretariat will institutionalize and streamline the GHG accounting process and develop guidance on GHG accounting in the Results Handbook while referring to the GHG accounting practices of other climate funds, international financial institutions and national data systems and taking into consideration the specific features of the GCF.

<sup>12</sup> For most of the quantitative indicators within the IRMF, baselines should either be 0 or already known, hence are straight-forward.

- (c) The Secretariat will aggregate and analyze estimated and achieved outcomes for the four core indicators and supplementary indicators across result areas and at the portfolio level.

### 4.3 Systemic change

22. Another ‘GCF outcome result level – systemic change’ will be measured through the below core indicators. The measurement of systemic change<sup>13</sup> will be based on qualitative assessments through a scorecard approach (See Table 2 below) along with narratives<sup>14</sup>. The scorecard approach is designed to measure how GCF-funded projects/programmes are contributing to institutional outcomes which enable paradigm shift and support wider change underpinning reduced emissions and increased resilience. Methodologies and scorecards of systemic change indicators 5 and 7 incorporate gender and social inclusion dimensions (see **Annex III**). Each scorecard will present a set of statements defining what constitutes – for example – “weak” systemic change versus “strong” systemic change. The scale-based scorecards along with narratives then will be used to assess (“score”) progress towards each systemic change indicator.

23. The four core indicators used to track progress at this level are as follows.

- **Core indicator 5:** Institutional and regulatory frameworks
- **Core indicator 6:** Diffusion of climate change technology and innovation
- **Core indicator 7:** Market development and transformation
- **Core indicator 8:** Knowledge generation, capture and learning

24. As supplementary to the scorecard approach, systemic change will be also measured and reported through quantitative means at the portfolio level through the results tracking tool (RTT).

**Table 2: Core indicators for systemic change**

<b>Core Indicator 5</b>	<b>Institutional and Regulatory frameworks</b>
<b>Definition</b>	Degree to which GCF investments contribute to strengthening institutional and regulatory frameworks for low carbon climate-resilient development pathways.
<b>Unit</b>	GCF’s projects/programmes are measured and reported against a four-point scale, where 0 = weak institutional and regulatory frameworks, and 3 = strong institutional and regulatory frameworks.
<b>Core Indicator 6</b>	<b>Diffusion of Climate Change Innovation</b>
<b>Definition</b>	Degree to which GCF’s investments contribute to innovations not previously or widely demonstrated in a particular context and strengthen conditions which facilitate the effective development, uptake and transfer of innovations.
<b>Unit</b>	GCF’s projects/programmes are measured and reported against a four-point scale, where 0 = limited recognition or support for climate change innovations 3 = high level of evidence of innovations developed, demonstrated and taken up.
<b>Core Indicator 7</b>	<b>Market Development and Transformation</b>
<b>Definition</b>	Degree to which GCF’s investments contribute to new markets and business activities at the sectoral, local, or national level and create enabling environments for market transformation.

<sup>13</sup> Noting a number of developing countries have placed greater importance in monitoring, tracking, and evaluating these systemic change contributions and data, data availability in the existing national data systems was considered in the development of systemic change core indicators.

<sup>14</sup> Under the initial RMF, AEs currently report the progress of systemic change in narratives.

<b>Unit</b>	Projects/programmes are measured and reported against a four-point scale, where 0 = no new market development and transformation, and 3 = high level of market development and transformation through improved business model track record and increased job creation.
<b>Core Indicator 8</b>	<b>Knowledge Generation, Capture and Learning</b>
<b>Definition</b>	Degree to which GCF's investments contribute to effective knowledge generation and learning processes, and use of good practices, methodologies and standards for aligning financial flows with the goals of the Paris Agreement and sustainable development.
<b>Unit</b>	Projects/programmes are measured and reported against a four-point scale, where 0 = no knowledge generation, capture and learning, and 3 = high knowledge generation, capture and learning.

25. Measurement and reporting of systemic change will be carried out as follows:
- (a) The Secretariat will develop scorecard templates for each of the four core indicators, based on multi-criteria assessments (MCA)<sup>15</sup>;
  - (b) During the funding proposal development stage, AEs will identify at least two indicators for systemic change, including the core indicator 8 – knowledge generation, capture and learning, informed by relevant sector strategies and country programmes. As part of the current practice under the initial RMF, AE will also provide baseline assessments of systemic change in the updated FP template. This should be in line with the AE's description of how project/programme activities will deliver on the investment criteria and individual logical framework in the context of individual project/programmes<sup>16</sup>;
  - (c) During the project/programme implementation, AEs will report through the updated APR template, on relevant identified indicators using a scorecard “self-assessment” and qualitative reporting in narratives. The scorecard template and guidance on scoring and assessment approaches will be included in the APR template. AEs are not required to analyze the entire systemic change every year but to only capture additional changes and key progress.
  - (d) AEs should, as part of interim and final evaluations, include independent assessments of whether and how the project/programme is contributing to relevant systemic change indicators using both a scorecard approach and qualitative reporting in consultation with project's/programme's main stakeholder groups.<sup>17</sup>
  - (e) The Secretariat will aggregate and analyze estimated and achieved outcomes for the four systemic change indicators for the reporting to the Board.

<sup>15</sup> Multi-criteria assessment is used to monitor/evaluate problems when faced with number of different alternatives from diverse stakeholders at especially the regional/sub-regional/country level while considering conflicting objectives and coming up with best case scenarios. The main purpose of MCA is to deal with complex and unstructured decision problems in the sphere of environmental and natural resource management, which involve number of conflicting ecological, environmental, societal and economic objectives, and multiple interest groups. Multicriteria methods provide a powerful framework for policy analysis in the context of climate change and sustainable development, since they can accomplish the goals of being multi-disciplinary (accounting for multiple dimensions present), participatory (open to all stakeholders), and transparent. Stakeholder participation should be included in the overall structure of the MCA process: alternatives and criteria generation, weighting and evaluation of alternatives and discussion of results. At also: <http://www.ejolt.org/2015/02/multi-criteria-assessment-mca/>

<sup>16</sup> 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.

<sup>17</sup> AEs are encouraged to consult with main stakeholder groups and voluntarily conduct workshops, based on participatory principles outlined in the MAF.

## 4.4 Project/Programme level

26. To maintain focus on the GCF mandate and to allow AEs to ensure AE's management of a broader range of co-benefits, the IRMF aims to balance the number of core and supplementary indicators available for measurement. In line with the current practice under the initial RMF, AEs are encouraged to add and monitor co-benefit indicators such as those related to biodiversity, social and gender inclusion, and/or poverty alleviation under respective project/programme-level logframes, if not captured by the core and supplementary indicators.

27. AEs could also report co-benefits separately from logical frameworks, if a project/programme creates the co-benefits which are not directly related to project/programme design and the achievement of primary objectives.

## V. Implementation arrangements

28. In light of the likely timeframes required to complete the steps towards effective implementation, this policy will only apply to FPs submitted to the Board after B.29.

29. Following the IRMF adoption, the Secretariat will update the FP template and develop an accompanying template guidance by B.28. Such template must be used by all AEs for new FPs submitted for Board consideration after B.29.

30. Accordingly, the deadline for the IRMF effectiveness date is B.30. This means that all existing pipeline FPs including resubmissions for Board consideration by B.30 are required to use the new FP template to ensure alignment with the IRMF.

31. The Secretariat will take necessary steps to implement the policy, including updating relevant templates, guidance and developing a comprehensive Results Handbook on the IRMF application. The Secretariat will conduct trainings on IRMF implementation and provide support as necessary to facilitate the presentation to the Board of projects/programmes which apply the requirements of the IRMF.

32. The GCF will, through future annual work programmes and administrative budgets, ensure adequate human, financial and other resources for the timely and adequate implementation of the IRMF.

33. AEs should make adequate provision for monitoring and evaluation to implement the IRMF under a dedicated budget line in the FPs, term sheets and FAAs.

## VI. Monitoring and review

34. The IRMF will be reviewed in the third year of GCF's replenishment cycle, in line with the policy cycle established under the four-year Board Work Plan.

35. For the GCF-1 period, the review will focus on initial steps taken to implement the IRMF and its progress, as well as challenges, capacity gaps and opportunities for improvement of future implementation.

36. Subsequent reviews may also assess the IRMF's relevance in the context of future Strategic Plans and programming objectives and propose required adjustments.

## Annex II: Measuring paradigm shift potential

Figure 1: Key principles

### KEY PRINCIPLES

#### CONTRIBUTION, NOT ATTRIBUTION

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." In this respect, the IRMF is designed to identify contribution to paradigm shift, not attribution. There are two main reasons for this:

- The sustainability of any paradigm shift relies on the change continuing after the GCF-supported intervention, so other actors must contribute and take ownership if the intervention is to continue;
- GCF will play quite different roles across various projects/ programmes, for example, some projects/programmes may be about funding the implementation of a major infrastructure project; some may be catalytic, perhaps funding a series of pilot projects or proof of concept studies that provide evidence for future scale; others could be about influencing policy change or leveraging finance from new parties.

Consequently, the focus should be on identifying the level of a GCF investment's contribution to paradigm shift potential.

#### LEARNING, NOT ACCOUNTABILITY

The primary purpose of assessing paradigm shift potential should be more for learning rather than accountability purposes. Paradigm shift must take place over and above the activities of GCF, and GCF interventions alone cannot be accountable for whether or not paradigm shift takes place (accountability needs to be placed lower down the results chain). Any assessment process needs to focus on learning and not just on reporting "success".

#### PARADIGM SHIFT IS CONTEXT SPECIFIC

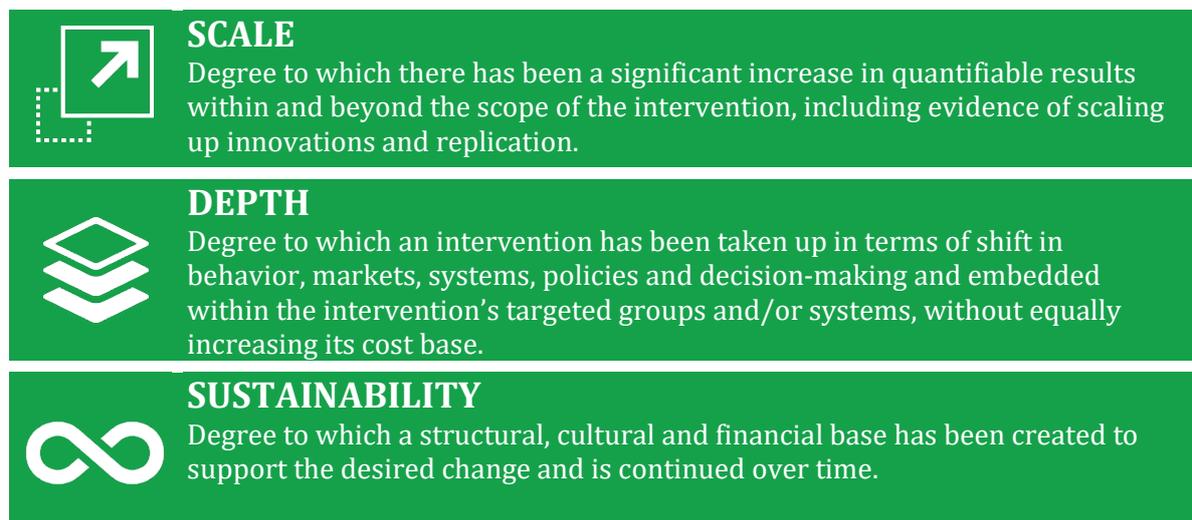
Paradigm shift is context-specific: that means metrics across projects/programmes may not be comparable. For example, the absolute number of beneficiaries should not be used to compare and contrast the scale of paradigm shift across countries of different sizes that have different key issues and change dynamics. Measures like percentage of population/land/energy use are better but still not really helpful, as they don't take into account different levels of attitudinal change required, possible resistance, different "tipping points" or reaching hard-to-reach areas; they also don't take into account other environmental/socio-economic differences.

When defining and measuring paradigm shift potential, it is important to identify the unit of analysis. This is going to be different across GCF interventions depending on their context/target. For example, the unit of analysis could be a country-wide paradigm shift in smaller countries, but a city, state or river basin may be a more appropriate unit of analysis in larger countries.

## I. Dealing with complexity: Paradigm shift potential dimensions

1. Within the climate finance domain, approaches to measuring paradigm shift potential are relatively new and underdeveloped. However, strategies have been proposed or tested by the World Bank, the Global Environment Facility, the Climate Investment Funds, and the GCF's own Independent Evaluation Unit. All this experience indicates that measuring paradigm shift potential – or at least assessing the degree to which it is taking or has taken place – requires it to be broken down into elements.
2. There are a number of different “dimensions” that could be used. There is no definitive list. However, there needs to be a sufficient number of dimensions to capture the complexity and different interlinked aspects of paradigm shift, but not so many that it becomes too difficult to operationalize or communicate. These dimensions should provide the basis for a measurable assessment model.
3. The proposed dimensions are highlighted below and draw from other sectors, actors and best practices in other areas.

**Figure 2: Proposed dimensions of paradigm shift potential**



4. Given context specificity of paradigm shift, the three dimensions will have different weights and degrees of relevance depending on the nature of the project/programme. For example, an intervention may have already reached a few sections of the entire population through climate-resilient development pathways (Scale) within a country to a point it has shifted norms with a certain group or market (Depth), but perhaps that success is still constrained, benefiting a relatively low number of individuals. This type of intervention may therefore consider Scale to be the most important dimension to target and measure. Another intervention may have ambition for widespread uptake and societal change. This intervention may view all three dimensions as equally important for targeting and measuring.
5. Therefore, to consistently assess paradigm shift potential an approach is required that looks at levels of change across the three dimensions, with an assessment of what level of shift has taken place in each dimension.
6. Assessments should also explore dimension-level shifts from the perspectives of women and men, including whether and how these shifts have been experienced differently; for example, how GCF interventions have been replicated and adopted especially by women within and beyond the intended scope (Scale); how behavioral, market, resilience changes and decision-making have been experienced by women (Depth); how GCF supported interventions can have a continued and long-term positive effect for women (Sustainability).

7. Detailed guidance and examples on how to apply definitions and measurement for paradigm shift dimensions will be provided in the Results Handbook but the following two examples will indicate how to capture different levels of results or causal pathways towards paradigm shift:

- (a) A GCF project supported systemic change in the energy sector by supporting the development of updated net metering regulations that provide extra incentives to net metering through solar or wind energy generation systems. This has led to a paradigm shift amongst energy sector investors, away from thinking primarily in developing hydropower options and more towards solar/wind options. Hydro is now increasingly seen as an energy storage system that serves as a backup when solar and wind are not producing sufficient energy.
- (b) GCF funds a ‘commercial pocket approach’ which allows rural farmers to be collectively trained to use climate-friendly technologies and grow a range of organic vegetables throughout the year. A community ‘collection centre’ then allows the products to be safely stored and distributed to markets outside the local vicinity. At a system change level this innovation reduces cost, broadens the products that are available, increases farmer income and increases the productivity of the land. Paradigm shift is created when this approach is replicated and adapted and becomes a standard approach across a region, it also changes the status of the predominantly female farmers who now become economically independent and reduces migration to urban centres as climate friendly farming becomes a viable way of sustaining livelihoods. Collection centres are now recognised and supported by local government.

## II. Assessment process

8. GCF interventions will track progress towards the three dimensions of paradigm shift potential using a scorecard approach. As well as measuring progress towards each dimension – and in line with the principle of measuring contribution rather than attribution – scorecards will also be used to measure the level of the GCF investment’s contribution to any change. Scorecards will be “internally” assessed by AEs as and when they feel their projects/programmes have contributed to realizing paradigm shift potential with validation undertaken by the GCF Secretariat at post project/programme completion.

9. Main assessment steps are highlighted in **Figure 3** below. These assessment steps are not new in that (i) AEs, during project/programme development, are required to refer to the six IF criteria, including paradigm shift potential and define it in the context of their project/programme; (ii) baselines are conducted by AEs and the only additionality will be that AEs are required to include baseline for each of the three paradigm shift potential dimensions; (iii) as part of the APRs, AEs provide brief descriptions of progress achieved against the six IF criteria, including the paradigm shift potential; and (iv) per the MAF, interim and final evaluations are required by AEs for each funded activity and these evaluations should assess the performance of the funded activity against the GCF IF criteria.

**Figure 3: Main assessment steps**

## **PROJECT/PROGRAMME DEVELOPMENT AND APPROVAL**

As part of a proposal's assessment against the GCF's Investment Framework (i.e. prior to project/programme approval) AEs will be required to describe what "paradigm shift potential" will look like for their project/programme, also identifying how the project/programme will contribute to that shift. Developing project/programme-level definitions recognizes that paradigm shift is highly context-specific: for example, paradigm shift in a small island developing state will look completely different to paradigm shift in a large, populous country with diverse ecosystems.

Project/programme-level definitions of paradigm shift potential should be based on the three dimensions of paradigm shift potential, although recognizing that dimensions will have different "weights" and degrees of relevance depending on the precise nature of the project/programme.

## **BASELINE DEVELOPMENT**

As part of the above project/programme-level description of paradigm shift potential, AEs should complete "baseline" scorecard assessments for each of the three dimensions that, in turn, will outline the starting conditions against which the project/programme is working. Baseline development is already conducted by AEs and is part of the FP development process. This would allow AEs to develop more robust baseline descriptions compared to narratives currently provided because of introducing more specific descriptors for each of the wider three dimensions. Crucially, such baseline descriptions will link to "evidence" which will be sought later to assess to what degree contribution has been made. Adding information on paradigm shift potential dimensions will also help to enhance quality of baselines and support AEs measure progress on their contribution to broader climate impacts against the baseline scenario.

Baselines should be validated by the AE at project/programme launch, particularly where a significant amount of time has elapsed since the project design and/or since the original scorecards were developed. The project/programme-level description of paradigm shift potential should also be re-validated at project launch.

## **INTERIM AND FINAL EVALUATIONS BY ACCREDITED ENTITIES**

AEs will – if they observe paradigm shift potential – monitor and report on progress towards the project/programme-level description of paradigm shift potential, including whether and how the project/programme is contributing to any progress. These assessments will be undertaken by AEs but involving other project/programme stakeholder groups through a participatory approach will help to deepen the assessment and strengthen learning processes. AEs will report the progress to paradigm shift potential through scorecards in interim and (more importantly) final evaluations while continuing to update the progress – if observed – in narratives through APRs in the current practice of the initial RMF.

## **INDEPENDENT VALIDATION**

The GCF will carry out ex-post reviews and ex-post verifications to assess credibility of results achieved over the lifespan of an asset/investment and reported to the GCF during project/programme implementation of intended climate impacts, their sustainability and potential for scalability and replication.

### III. Scorecards

10. When measuring dimensions, it might be alluring to have a high level of granularity (for example, a 6-point scale). However, 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. Consequently, a 4-point scale is proposed (where 0 = no evidence of change, 3 = high degree of evidence of change).

11. As well as measuring progress towards each dimension – and in line with the principle of measuring contribution rather than attribution – scorecards will be used to measure the level of the GCF investment’s contribution to any change. For each dimension, the intensity of contribution (high, medium, low) should be measured. The scale recognizes that “high intensity” does not necessarily mean better than “low intensity”, as the expected contribution might be different dependent on other actors involved and the required need.

**Figure 4: The Scorecard**

Dimension	0 (No evidence of change)	1	2	3 (High degree of evidence of change)	Intensity of GCF contribution
<b>Scale</b> 	No replication or multiplying effects across population, markets, institutions, sectors and geographic areas of GCF-supported interventions without expanding the cost base or securing additional funding from the initial project/program me	Some emerging signs (e.g. increase in demand for climate services/products /business and expansion of climate results) of clear pathway to replication or multiplying effects across population, markets, institutions, sectors and geographic areas of GCF-supported interventions without expanding the cost base or securing additional funding from the initial project/program me	Evidence of replication or multiplying effects across population, markets, institutions, sectors and geographic areas of GCF-supported interventions without expanding the cost base or securing additional funding from the initial project/program me	Evidence of a significant replication or multiplying effects across population, markets, institutions, sectors and geographic areas of GCF-supported interventions without expanding the cost base or securing additional funding from the initial project/program me	<p><b>High:</b> GCF funded activity played a central role and the change wouldn’t have happened without it</p> <p><b>Medium:</b> GCF funded activities enhanced an existing initiative to significantly improve outcomes</p> <p><b>Low:</b> GCF played a catalytic/ facilitative role which supported a broad coalition of actors</p>
<b>Depth</b> 	No or little evidence that the GCF supported intervention is contributing towards a behavioral change or decision-making process among beneficiaries or project/program stakeholders, with a particular focus on women	Some emerging signs that the intervention contributes towards a behavioral change or decision-making process among beneficiaries or project/program stakeholders, with a particular focus on women	Increasing evidence that the intervention contributes towards a behavioral change or decision-making process among beneficiaries or project/program stakeholders, with a particular focus on women	Strong and consolidated evidence that the intervention contributes towards a behavioral change or decision-making process among beneficiaries or project/program stakeholders, with a particular focus on women	<p><b>High:</b> GCF funded activity played a central role and the change wouldn’t have happened without it</p> <p><b>Medium:</b> GCF funded activities enhanced an existing initiative to significantly improve outcomes</p>



	No or little evidence that the intervention is contributing towards a market or other type of systems change	Some emerging signs (e.g. reduced costs and risks, eliminating barriers) that the intervention is contributing towards a market or other type of systems change	Increasing evidence (e.g. reduced costs and risks, eliminating barriers) that the intervention is contributing towards a market or other type of systems change	Strong and consolidated evidence (e.g. market consolidation, job creations, skills mainstreaming) that the intervention is contributing towards a market or other type of systems change	<b>Low:</b> GCF played a catalytic/facilitative role which supported a broad coalition of actors
	No or little evidence of dimensions of new national, local regulations/policies/frameworks to address investments in low-emission development	Some emerging evidence of dimensions of new national, local regulations/policies/frameworks to address investments in low-emission development	Increasingly consolidated evidence of dimensions to new national, local regulations/policies/frameworks to address investments in low-emission development	Abundant evidence of dimensions of new national, local regulations/policies/frameworks to address investments in low-emission development	
<p><b>Sustainability</b></p>	No evidence of continuity of project results beyond project support	Some emerging signs that project results are likely to continue beyond GCF's support	Clear signs that the project results are likely to continue beyond GCF's support	Strong evidence that project results will continue beyond GCF's support	<p><b>High:</b> GCF funded activity played a central role and the change wouldn't have happened without it</p> <p><b>Medium:</b> GCF funded activities enhanced an existing initiative to significantly improve outcomes</p> <p><b>Low:</b> GCF played a catalytic/facilitative role which supported a broad coalition of actors</p>
	No improvement in organizational capacity across public and private sector to deliver effective interventions	Examples where there is evidenced improvements in the organizational capacity of either key public or private sector organizations	Clear evidence of improvements in the organizational capacity of either key public or private sector organizations	Organizational resourcing, staffing, structures and relationships are designed and resourced to support new ways of working	
	No or limited increase in regular funding for climate change	There is noticeable increased budget for intervention area	Clear changes in the priorities and resource allocations of key stakeholder groups in both public and private sector	Commercial thriving markets established; Sufficient public finance is available and flowing for sustainable change; No/limited reliance on donor funding	

## Annex III: Illustrative indicators guidance – reduced emissions and increased resilience

1. The indicators guidance sheet on reduced emissions and increased resilience below is illustrative. Its full details including those of supplementary indicators and technical guidance on the IRMF application will be provided in the Results Handbook to be developed after the adoption of the IRMF.

<b>Core Indicator 1</b>	<b>GHG emissions reduced, avoided or removed/sequestered, per result area</b>
<b>Unit</b>	Tonnes of carbon dioxide equivalent (tCO <sub>2</sub> eq)
<b>Rationale</b>	<p>This has been a core GCF indicator since 2014 under the initial RMF, is routinely reported on through Board meetings, and continues to be a central measure of the GCF's impact. It is tightly aligned with core indicators of numerous other climate finance mechanisms, and with the objectives of the UNFCCC and Paris Agreement.</p> <p>The Fund promotes low-emission and climate-resilient development pathways by providing support to developing countries to limit or reduce their greenhouse gas (GHG) emissions and to adapt to the impacts of climate change. Monitoring the level of GHG emissions abated from Fund projects is a key indicator of progress and results of Fund projects/programmes. The indicator will report on the net change in GHG emissions measured in tonnes of carbon dioxide equivalent (tCO<sub>2</sub>eq), estimated relative to the assumed business-as-usual emissions trajectory, and will reflect abatement results directly attributable to GCF mitigation projects over the lifetime of the projects. With annually collected data, the GCF will calculate and measure the status and progress of tCO<sub>2</sub>eq per year.</p> <p>This indicator is well aligned with GCF's Investment Framework criterion on Impact Potential (mitigation impact) and with the indicative investment factor "<i>Expected tonnes of carbon dioxide equivalent (t CO<sub>2</sub> eq) to be reduced or avoided</i>".</p> <p>This indicator is well aligned with SDG 13 'Take urgent action to combat climate change and its impacts' and with the targets set in the Paris Agreement.</p> <p>This indicator may also be aligned with the mitigation priorities identified by developing countries in the relevant Nationally Determined Contributions (NDCs) and Nationally Appropriate Mitigation Actions (NAMAs).</p>
<b>Definition</b>	Note: the definition will be grounded in the GCF's original guidance (Annex V of B.08/07) but will be amended according to the final methodology.
<b>Thematic area</b>	Mitigation
<b>Result areas</b>	<p>Area 1: Energy generation and access</p> <p>Area 2: Low-emission transport</p> <p>Area 3: Buildings, cities, industries and appliances</p> <p>Area 4: Forests and land use.</p>
<b>Disaggregation</b>	tCO <sub>2</sub> eq reduced by result area.
<b>Methodology</b>	Note: The methodology will build on the GCF's original guidance (Annex V of B.08/07) but will need to take into account the GCF's result areas, including any sector-specific guidance and approaches to calculations of emission reductions.
<b>Data Sources</b>	Dependent on result area-specific requirements. National statistics.
<b>Baseline</b>	Determined in individual logical frameworks.
<b>Frequency</b>	Project/programme-duration, updated annually.
<b>Reporting Responsibility</b>	Underlying data reported by AEs, then aggregated by GCF Secretariat.
<b>Reporting Format</b>	Underlying data provided via APRs, then aggregated and reported via GCF website and to the Board.

<b>References</b>	SDG 13
<b>Core Indicator 2</b>	<b>Direct and indirect beneficiaries reached, per result area</b>
<b>Unit</b>	<p>Absolute number of individuals (female/male)</p> <p>Note: if data on individuals is not available, households could be reported and converted into individuals based on average number of people per household.</p>
<b>Rationale</b>	<p>This indicator seeks to measure the number of people who have received an input of support from Fund projects as a proxy for increasing adaptive capacity and resilience to climate change. It follows the same approach as the beneficiary indicators for the Adaptation Fund and UKAID International Climate Finance (ICF).</p> <p>This indicator speaks to the GCF's Investment Framework criterion on Adaptation Impact and the Indicative Investment Factor 'Expected total number of direct and indirect beneficiaries, (reduced vulnerability or increased resilience); number of beneficiaries relative to total population, particularly the most vulnerable groups'.</p> <p>This indicator is aligned with SDG 5 'Achieve gender equality and empower all women and girls' in addition to SDG 13.</p> <p>Note: resilience impact on businesses rather than individuals is covered as a supplementary indicator of core indicator 3.</p>
<b>Definition</b>	<p>Note: the definition follows the GCF's original guidance (Annex V of B.08/07).</p> <p>'Support' is defined as direct assistance from the project/programme in question, with the explicit intention of helping people deal with climate change impacts. It could include, for example, financial resources, assets, agricultural inputs, training, communications (e.g. early warning systems) or information (e.g. weather forecasting).</p> <p>'People Supported' should relate to populations identified by the project in question with a direct relationship to it.</p> <p>'Effects of climate change' are defined as the effects of changes both in the mean state of the climate and in its variability. Normally resulting from the primary consequences of climate change: changes to precipitation, temperature and sea-level rise, these may be sudden onset or gradual, and can include floods, droughts, storms, landslides, salinization, coastal inundation, heat or cold waves, and biodiversity loss.</p> <p>Two dimensions of support are defined:</p> <p><b>1) Targeted:</b> defined as whether people can be identified by the project/programme as receiving direct support, can be counted individually and are aware they are receiving support in some sort. This implies a high degree of attribution to the project.</p> <p><b>2) Intensity:</b> defined as the level of support/effort provided per person on a continuum, but broad levels may be defined as:</p> <ol style="list-style-type: none"> <li>Low: e.g. people falling within an administrative area of an institution (e.g. ministry or local authority) receiving capacity-building support.</li> <li>Medium: e.g. people receiving information services such as flood warnings or weather forecast by text; people within catchment area of structural flood defenses; people living in a community where other members have been trained in emergency flood response; people within a catchment area or a river basin subject to a water resources management plan.</li> <li>High: e.g. house raised on plinths, cash transfers, agriculture extension services, training of individuals in communities to develop emergency plans.</li> </ol> <p>Based on the two dimensions of support, there are two main categories of beneficiaries for reporting:</p> <p><b>1) Direct:</b> Targeted and high intensity. Must fulfil both criteria, e.g. people receiving social protection through improved household assets, houses raised on plinths, agricultural extension services, training of individuals in communities to develop emergency plans and use early warning systems.</p> <p><b>2) Indirect</b> category covers the following:</p>

	<p>a) Targeted and medium intensity: e.g. people receiving weather information and text messages early warnings.</p> <p>b) Not targeted and medium intensity: e.g. people within the coverage of an early warning system, or catchment area of a large infrastructure project (e.g. flood defences) or living in a discrete community in which others have been trained in emergency response.</p>
<b>Thematic area</b>	2. Adaptation
<b>Result areas</b>	<p>3. Area 5: Most vulnerable people and communities</p> <p>4. Area 6: Health, well-being, food, and water security</p> <p>5. Area 7: Infrastructure and built environment</p> <p>6. Area 8: Ecosystems and ecosystem services</p>
<b>Disaggregation</b>	<p>For each of these two defined categories of beneficiaries, direct and indirect, further disaggregation is required on the following dimensions:</p> <ol style="list-style-type: none"> <li>1. Female/male individuals</li> <li>2. The main result area where the benefits were achieved.</li> </ol> <p>Note: a project/programme can work in more than one result area, but beneficiaries should be counted under one result area only to avoid double counting.</p>
<b>Methodology</b>	<p>The indicator is expressed in absolute numbers of beneficiaries disaggregated by category of reporting (direct/indirect) and sex. It is possible for one project to reach both direct and indirect beneficiaries, in which case these should be reported separately.</p> <p>Where primary data on beneficiaries are based on households, a standard multiplier for household size based on the most recent national census or nationally representative household survey should be used to convert number of households to number of people. Disaggregation by sex should be based on primary data or national statistics.</p>
<b>Data Sources</b>	<p>Project/programme surveys.</p> <p>National statistics.</p>
<b>Baseline</b>	Determined in individual logical frameworks.
<b>Frequency</b>	Project/programme-duration, updated annually.
<b>Reporting Responsibility</b>	Underlying data reported by AEs, then aggregated by GCF Secretariat.
<b>Reporting Format</b>	Underlying data provided via APRs, then aggregated and reported via GCF website and to the Board.
<b>Additional Notes</b>	Note: This method of reporting on beneficiaries does not explicitly consider the success in building climate resilience, i.e. a project that provides strong support to a large number of beneficiaries, but fails to build their resilience, would still be reporting a high number of “intensity” beneficiaries.
<b>References</b>	<p>UKAID ICF Key Performance Indicator (KPI) 1.</p> <p>Adaptation Fund Core indicator on Number of beneficiaries.</p> <p>SDG 13, SDG 5</p>
<b>Core Indicator 3</b>	<b>Improved physical assets for emission reductions or increased resilience against climate hazards, per result area and asset type</b>
<b>Unit</b>	<p>Unit 1: Number or dimension of assets expressed in relevant unit, e.g. km, ha</p> <p>Unit 2: Value of assets in USD</p>
<b>Rationale</b>	<p>Physical assets under this indicator covers fixed physical assets that are made by humans such as buildings, roads and factories. These are threatened by the climate change induced increase in hazards like extreme rainfall and heat, floods, hurricanes, landslides, etc.</p> <p>This indicator measures in how far GCF supported projects have strengthened such assets against damage from such hazards.</p> <p>The indicator is aligned with SDG 9 ‘Industry, innovation and infrastructure: build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation’ and SDG 11 ‘Sustainable cities and communities: make cities and human settlements inclusive, safe, resilient and sustainable’ in addition SDG 13 ‘Climate action: take urgent action to combat climate change and its impacts’.</p>

	This indicator speaks to the GCF's Investment Framework criterion on Adaptation Impact and, in particular, the Indicative Investment Factor 'Degree to which the activity avoids lock-in of long-lived climate-vulnerable infrastructure'. It is also aligned with several of the factors under the Sustainable Development Potential criterion.
<b>Definition</b>	<p>This indicator measures progress in protecting physical assets against climate hazards. "Physical assets" covers existing and new fixed assets such as e.g. buildings, bridges, ports, roads, railway systems, seawalls, industrial plants, pipelines, electricity grid, dikes, etc.</p> <p>"Increased resilience" covers three types of improvements of existing and new physical assets:</p> <ol style="list-style-type: none"> <li>Increasing resilience through direct physical improvements of the assets itself, such as improved on-site drainage, roofs strengthened to withstand strong winds etc.</li> <li>Increased resilience provided by indirect physical improvements such as coastline protection through mangrove that helps protect a city.</li> <li>Increased resilience through insurance coverage for the assets against climate hazard induced damage.</li> </ol> <p>"Climate hazards" include both direct impact hazards such as severe storms and floods as well as slow-onset changes such as increasingly high temperatures, desertification, drought, glacial melt and sea-level rise.</p>
<b>Thematic area</b>	7. Mitigation or adaptation
<b>Result areas</b>	8. Area 3: Buildings, cities, industries and appliances 9. Area 7: Infrastructure and built environment
<b>Disaggregation</b>	Asset type. The main result area where the benefits were achieved.
<b>Methodology</b>	Results on this core indicator will be reported as the aggregate of the reported number and value in USD of physical assets.
<b>Data Sources</b>	Existing data on value of targeted assets from asset owners. Other secondary data like national statistics, feasibility studies. Insurance records.
<b>Baseline</b>	Determined in individual logical frameworks.
<b>Frequency</b>	Project/programme-duration, updated annually.
<b>Reporting Responsibility</b>	Underlying data reported by AEs, then aggregated by GCF Secretariat.
<b>Reporting Format</b>	Underlying data provided via APRs, then aggregated and reported via GCF website and to the Board.
<b>References</b>	LDCF, SCCF, Adaptation Fund SDG 13, SDG 11, SDG 9
<b>Core Indicator 4</b>	<b>Improved natural resource assets for emission reductions or increased resilience against climate hazards, per result area and asset type</b>
<b>Unit</b>	Unit 1: Hectare (Ha) Unit 2: Percentage (%), proportion of natural assets with increased resilience
<b>Rationale</b>	<p>The Fund promotes low-emission and climate-resilient development pathways by providing support to developing countries to limit or reduce their GHG emissions and to adapt to the impacts of climate change. Monitoring the efforts made strengthening natural resources to become more climate-resilient is a key indicator of progress and results of GCF projects/programmes. Results reported in this indicator refer to how GCF is helping build resilience of people, livelihoods, and ecosystems against extreme weather events.</p> <p>This indicator is aligned with the adaptation priorities identified by developing countries in NAPs and/or NDCs which include: agriculture, water, disaster risk management, climate information systems, sustainable land and forest management, urban development and infrastructure, energy, health and coastal zone management.</p>

	<p>This indicator aligns with the GCF’s Investment Framework criterion on paradigm shift potential and the Indicative Investment Factor ‘Degree to which the project or programme promotes positive environmental externalities such as air quality, soil quality, conservation, biodiversity, etc.’.</p> <p>This indicator is aligned with SDG 6 ‘Clean water and sanitation: ensure availability and sustainable management of water and sanitation for all’; SDG 14 ‘Life below water: conserve and sustainably use the oceans, seas and marine resources for sustainable development’; and SDG 15 ‘Life on land: protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss’ in addition to SDG 13 ‘Climate action: take urgent action to combat climate change and its impacts’.</p> <p>This indicator is aligned with the Aichi Biodiversity Target 7 of the Convention on Biological Diversity: “Areas under agriculture, aquaculture and forestry, by 2020, are managed sustainably, ensuring conservation of biodiversity”. It is also related to country Land Degradation Neutrality targets under the Convention to Combat Desertification.</p>
<b>Definition</b>	<p>This indicator refers to natural resources, such as land under productive systems, and area covered by natural ecosystems that are improved or strengthened in order to become more climate resilient.</p> <p>“Climate hazards” include both direct impact hazards such as severe storms and floods as well as slow-onset changes such as increasingly high temperatures, desertification, drought, glacial melt and sea-level rise.</p> <p>AEs will report the expected and actual geographical extent of the area that they intend to make or have made more resilient, with a clear evidence-based justification.</p>
<b>Thematic area</b>	Mitigation or adaptation
<b>Result areas</b>	Area 4: Forest and land use Area 8: Ecosystems and ecosystem services
<b>Disaggregation</b>	Asset type. The main result area where the benefits were achieved.
<b>Methodology</b>	Results on this core indicator will be reported as the aggregate of the reported area in hectare of natural assets or proportion of natural assets with increased resilience.
<b>Data Sources</b>	Dependent on result area-specific requirements. Other secondary data like national statistics, feasibility studies.
<b>Baseline</b>	Determined in individual logical frameworks.
<b>Frequency</b>	Project/programme-duration, updated annually.
<b>Reporting Responsibility</b>	Underlying data reported by AEs, then aggregated by GCF Secretariat.
<b>Reporting Format</b>	Underlying data provided via APRs, then aggregated and reported via GCF website and to the Board.
<b>References</b>	<a href="https://www.cbd.int/sp/targets/">https://www.cbd.int/sp/targets/</a> GEF, CIF, Adaptation Fund SDG 13, SDG 6, SDG 14, SDG 15

## Annex IV: Illustrative indicators guidance – systemic change

1. The indicators guidance sheet on systemic change below is illustrative. Its full details and technical guidance on the IRMF application will be provided in the Results Handbook to be developed after the adoption of the IRMF.

Core Indicator 5	INSTITUTIONAL AND REGULATORY FRAMEWORKS:
Unit	Degree to which GCF investments contribute to strengthening institutional and regulatory frameworks for low carbon climate-resilient development pathways.  GCF's projects/programmes are measured and reported against a four-point scale, where 0 = weak institutional and regulatory frameworks, and 3 = strong institutional and regulatory frameworks.
Rationale	<p>Strengthening of institutional and regulatory frameworks is at the heart of the GCF's goal to support systems change and contribute to paradigm shift, so the GCF necessarily has to track its contribution to strengthening institutional and regulatory frameworks. By using scorecards to track several elements of institutional and regulatory frameworks, this indicator can also <b>support the GCF's own planning and prioritization</b>. For example, do assessments show specific elements of institutional and regulatory frameworks require more support or investment?</p> <p>The indicator is partially aligned to <a href="#">SDG indicator 13.3.2*</a> and SDG 5 'Gender equality: achieve gender equality and empower all women and girls'. The GCF could use data gathered here to potentially report on its contribution to SDG indicator 13.3.2 and SDG target 13.3. The GCF's scorecard exercise could also support and inform each project's/programme's own monitoring of indicator 13.3.2.</p> <p>The indicator is partially aligned to the GCF's Investment Framework criterion 4 (country ownership and institutional capacity) and sub-criteria 3 (capacity of implementing entities or executing entities to deliver), so data gathered through this indicator can be used to track and compare actual progress against initial proposals, as well as Investment Framework assessment factor 'Potential of the proposed programme or project to strengthen institutional and implementation capacity'.</p>
Definition	<p>The indicator is used to assess degree to which GCF funded activities are supporting the development of institutional and regulatory frameworks over time.</p> <p>Assessment of GCF's contribution to strengthening institutional and regulatory frameworks will consider a series of elements using a scorecard-based approach:</p> <ul style="list-style-type: none"> <li>• Degree to which new laws/regulations/policies have been put in place to facilitate socially inclusive low-emission climate-resilient development</li> <li>• Degree to which the public sector has trained knowledgeable staff in appropriate roles to deliver/oversee the strategy.</li> <li>• Extent of cross-government coordination in the delivery of the project/programme strategy horizontally across different sectors and vertically from national to local level.</li> <li>• Extent to which the private sector is aware, capable and proactively addressing climate change challenges.</li> <li>• Extent to which civil society is aware and proactively working together with projects/programmes financed by the GCF to strengthen socially inclusive and sex-aware institutional and regulatory frameworks to address climate change (CC) challenges.</li> </ul> <p>Based on assessment of all the above elements, the indicator provides a single "score" for each project/programme that can be tracked over time. Data for all projects/programmes can also be aggregated to provide "scores" at the global level, on a regional basis, or according to country groupings (e.g. LDCs, SIDS etc.).</p>
Disaggregation	Scoring will be undertaken at the project/programme level. Once all assessments have been completed it will be possible to analyze trends for different projects/programmes, according to analytical needs. For example, aggregate "scores" could be calculated and tracked by region, for LDCs, for SIDS, for Readiness Programme participants, etc.

<b>Methodology</b>	<p>Indicator measurement is undertaken through a scorecard-based approach, whereby projects/programmes are assessed in terms of their capacity to strengthen institutional and regulatory frameworks against a four-point scale with values ranging from 0 (no contribution to strengthened institutional and regulatory frameworks) to 3 (high contribution).</p> <p>Annual assessments will be undertaken by the AEs as part of the current practice of APR. It is recommended scoring is done participatively with other stakeholders (NDAs, civil society and other stakeholders). Possible participative processes are explained in further detail in the results handbook (to be developed, post adoption of the IRMF by the Board).</p> <p>Scoring should be undertaken on all elements that GCF is trying to change or influence so not all aspects of the scorecard may need to be assessed.</p> <p>The full scorecard is as follows:</p>					
	<b>No contribution</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>High contribution</b>
	No relevant legal/regulatory/policy frameworks in place					Effective socially inclusive legal/regulatory/policy frameworks developed and implemented
	No significant financial resources allocated to support development and implementation of institutional and regulatory frameworks					Sufficient financial resources allocated and provided for the development and implementation of institutional and regulatory frameworks
	Public sector actors do not have an organizational structure/system or trained staff to respond to CC challenges and deliver strengthened institutional and regulatory frameworks					Public sector actors have an organizational structure/system or are fully staffed with trained and knowledgeable individuals to address CC challenges and delivering strengthened regulatory frameworks
	No horizontal or vertical cross government coordination in the response to CC					Clear functioning coordination mechanisms at both horizontal and vertical levels effectively coordinating CC response
	Private sector players unaware of their contribution to CC and do not have structures or skills to respond in a timely manner					Private sector players fully understand their role in addressing CC and possess business models/strategies/expertise to proactively address appropriate CC challenges
	Civil society organizations have insufficient knowledge and skills to address relevant CC challenges or to hold the public and private sector to account					Civil society organizations understand the contribution it can make and have sufficient knowledge/skills to design interventions which address CC and hold other stakeholders to account

	<p>The process is to a large extent reliant on professional knowledge and judgement; therefore, it is important AEs have these validated by other sectoral/local/national stakeholders.</p> <p>Any change in score requires a short narrative explanation to provide transparency and show how: GCF investments contributed and supported the change, identify patterns across the portfolio and to assist learning about the trajectory of improvement.</p> <p>Subjectivity cannot be entirely eliminated from the assessments, but a process of review and benchmarking can help to mitigate bias, improve consistency and allow assessors to learn from each other. It is recommended that – once all annual assessments have been completed – some form of portfolio validation exercise be undertaken. A participatory approach bringing AE, NDA representatives and GCF Secretariat staff that allows for validation is encouraged. This is also aligned with the GCF’s Governing Instrument, which encourages use of participatory monitoring involving relevant stakeholders.</p> <p>Where countries have undertaken their own capacity assessments as part of their national monitoring and reporting against SDG indicator 13.3.2, those assessments could be used to directly inform this GCF scorecard assessment.</p>
<b>Data Sources</b>	<p>APRs. NDA records and experience. National capacity assessments undertaken for SDG indicator 13.3.2. Readiness Programme progress and final reports. Other secondary data like national statistics.</p>
<b>Baseline</b>	<p>The first scorecard-based assessment in any given project/programme will provide the baseline value against which future scorecard assessments can be compared.</p> <p>The global baseline score can be calculated once all projects/programmes have completed their first scorecard assessments.</p>
<b>Frequency</b>	<p>Project/programme-duration, updated annually.</p>
<b>Reporting Responsibility</b>	<p>AEs undertake the assessment. A participatory process is used where relevant to ensure professional judgments are validated; the results handbook (to be developed) outlines the alternative processes for doing this.</p> <p>Scorecards will be aggregated and further analysis (global, regional, country groupings) will be done by GCF Secretariat.</p>
<b>Reporting Format</b>	<p>Underlying data provided via APRs, then aggregated and reported via GCF website and to the Board.</p>
<b>Additional Notes</b>	<p>*<a href="#">SDG Indicator 13.3.2</a>: Number of countries that have communicated strengthening of institutional, systemic and individual capacity-building to implement adaptation, mitigation and technology transfer, and development actions</p>
<b>Core Indicator 6</b>	<p><b>DIFFUSION OF CLIMATE CHANGE TECHNOLOGY AND INNOVATION:</b></p> <p>Degree to which GCF’s investments contribute to technology deployment and innovations not previously or widely demonstrated in a particular context and strengthen conditions which facilitate the effective development, uptake and transfer of innovations.</p>
<b>Unit</b>	<p>GCF’s projects/programmes are measured and reported against a four-point scale, where 0 = limited recognition or support for climate change innovations 3 = high level of evidence of innovations developed, demonstrated and taken up.</p>
<b>Rationale</b>	<p>Supporting technology, innovation and risk taking is a key driving element of the GCF’s aim of promoting a paradigm shift potential. The GCF will support development and demonstration of CC technology and innovations. It is also ultimately the development of conditions that lead to effective development/uptake/transfer/replication of CC technology and innovations that will lead to continuous improvement. This indicator measures how far GCF investments contribute to demonstration and uptake of new innovations and to creating enabling conditions which support and promote the actions required to generate CC innovations and support uptake and diffusion more widely.</p> <p>This is aligned with GCF Investment Framework’s assessment factor ‘Explanations of how best available technologies and/or best practices, including those of indigenous peoples and local communities, are considered and applied. If applicable, the proposal specifies the innovations or modifications/adjustments made based on industry best practices.’</p>

	<p>Support for research, development, demonstration and transfer of CC innovations is directly aligned with Article 10 of the UNFCCC Paris agreement, and in particular Article 10.1 – “Parties share a long-term vision on the importance of fully realizing technology development and transfer in order to improve resilience to climate change and to reduce greenhouse gas emissions” and Article 10.2 “Parties, noting the importance of technology for the implementation of mitigation and adaptation actions under this Agreement and recognizing existing technology deployment and dissemination efforts, shall strengthen cooperative action on technology development and transfer.”</p> <p>Technology development and transfer playing a key role in reducing GHG emissions is well recognized in the UNFCCC Convention, the Paris Agreement and the GCF Governing Instrument paragraph 35.</p>
<p><b>Definition</b></p>	<p>The indicator assesses the degree to which GCF are supporting activities/developing examples that illustrate improved conditions for effective development, transfer and uptake of innovations across projects/programmes or at sectoral/local/national level.</p> <p>Innovation in this context is defined as a resilience building related model, technology, tool, practice, service or product that was demonstrated (i.e. successfully tested) for the first time in a country by the project. Innovations that had already been demonstrated elsewhere but never in the country or countries where the project is implemented can be counted under this indicator. For instance, a newly developed solar mini-grid software management system being tested for the first time or an irrigation technology already successfully tested in another country but applied for the first time in the target country.</p> <p>Conditions which facilitate development, transfer and uptake of innovation may include incentives (such as access to funding, subsidies or tax breaks), that promote risk and do not penalize failure. Promoting transfer/uptake can be done in monetary or non-monetary form. It may include marketing, capacity building, training, technical demonstrations, etc. It can be a commercial activity (e.g. a company selling an innovative energy efficiency solution) or non-commercial (e.g. a civil society organization actively promoting uptake of an innovative rainwater harvesting technique).</p> <p>The assessment will be undertaken at project/programme, sectoral, local or national levels. Conditions which facilitates effective development, uptake, transfer of innovations is divided into series of elements that are assessed using a scorecard-based approach. These are:</p> <ul style="list-style-type: none"> <li>• Degree to which there is evidence of deployment and uptake of innovation.</li> <li>• Degree of financial support for the delivery of innovation.</li> <li>• Level of human resources available for development, uptake, transfer and scale up of innovations.</li> <li>• Degree to which there is capacity to effectively promote and disseminate value and use of innovations.</li> <li>• Degree to which there are mechanisms in place to acknowledge and incentivize taking of risks for innovations.</li> </ul> <p>Based on assessment of the relevant elements, the indicator provides a single “score” for each project/programme that can be tracked over time. Data for all projects/programmes can also be aggregated to provide “scores”, according to country groupings (e.g. LDCs, SIDS etc.), on a regional basis or at the global level.</p>
<p><b>Disaggregation</b></p>	<p>Scoring will be based on the scope of the GCF intervention and the environment in which it is operating. The default will be at project/programme level though a different area may be assessed, and this could focus on a specific institution (public, private, civil society) or appropriate combination of these.</p> <p>Scoring on individual elements of the scorecard will also allow an analysis of where GCF can focus to promote transfer and broad replication of successful CC innovations.</p>
<p><b>Methodology</b></p>	<p>Indicator measurement is undertaken through a scorecard-based approach, whereby various elements of conditions for innovation are assessed against a four-point scale with values ranging from 0 (no capacity) to 3 (high capacity).</p> <p>Annual assessments will be undertaken by AEs as part of the APR. It is recommended scoring is done participatively with other stakeholders (NDAs, civil society and other</p>

	<p>stakeholders). Possible participative processes are explained in further detail in the results handbook (to be developed, post-adoption of the IRMF by the Board).</p> <p>Scoring should be undertaken on all elements that GCF is trying to change or influence so not all aspects of the scorecard may need to be assessed.</p> <p>The full scorecard is as follows:</p> <table border="1" data-bbox="456 488 1359 1120"> <thead> <tr> <th><b>Limited innovation</b></th> <th>0</th> <th>1</th> <th>2</th> <th>3</th> <th><b>High innovation</b></th> </tr> </thead> <tbody> <tr> <td>No evidence of innovations being deployed</td> <td></td> <td></td> <td></td> <td></td> <td>Strong evidence of successful deployment and uptake of innovations</td> </tr> <tr> <td>No significant financial resources for demonstration or uptake of innovations</td> <td></td> <td></td> <td></td> <td></td> <td>Wider financial support for the delivery of innovations</td> </tr> <tr> <td>No project/programme staff able to work on innovations</td> <td></td> <td></td> <td></td> <td></td> <td>Model in place which allows staff to be deployed in a timely way to develop and transfer innovations</td> </tr> <tr> <td>No sectoral, local or national level capacity to promote and disseminate innovations</td> <td></td> <td></td> <td></td> <td></td> <td>Mechanisms available and used to promote innovations to wide range of audiences at sectoral, local or national level</td> </tr> <tr> <td>No incentivization or risk mitigation strategies at sectoral, local or national level to support innovations</td> <td></td> <td></td> <td></td> <td></td> <td>Clear evidence of incentivization for developing and testing innovations, including acknowledgement and acceptance of possible failure at sectoral, local or national level.</td> </tr> </tbody> </table> <p>The process is, to a large extent, reliant on professional knowledge and judgement, so it is important AEs have these validated by other sectoral, local or national stakeholders. There will invariably be variation in assessments with different weights/importance placed on different aspects of capacity. Any change in score will also require a short narrative explanation to provide transparency and also to assist learning about the trajectory of improvement.</p> <p>Subjectivity cannot be entirely eliminated from the assessments, but a process of review and benchmarking can help to mitigate bias, improve consistency and allow assessors to learn from each other. It is recommended that – once all annual assessments have been completed – some form of portfolio validation exercise be undertaken. A participatory approach bringing AE, NDA representatives and GCF Secretariat staff that allows for validation is encouraged. An alternative is that a lead assessor (or small group) takes on the task of validating/peer reviewing a sample of assessments, with a view to assessing levels of consistency/difference across the whole portfolio.</p>	<b>Limited innovation</b>	0	1	2	3	<b>High innovation</b>	No evidence of innovations being deployed					Strong evidence of successful deployment and uptake of innovations	No significant financial resources for demonstration or uptake of innovations					Wider financial support for the delivery of innovations	No project/programme staff able to work on innovations					Model in place which allows staff to be deployed in a timely way to develop and transfer innovations	No sectoral, local or national level capacity to promote and disseminate innovations					Mechanisms available and used to promote innovations to wide range of audiences at sectoral, local or national level	No incentivization or risk mitigation strategies at sectoral, local or national level to support innovations					Clear evidence of incentivization for developing and testing innovations, including acknowledgement and acceptance of possible failure at sectoral, local or national level.
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<b>Data Sources</b>	<p>APRs. Learning and development strategies, prospectus and capacity assessments. Minutes of forums/training workshops and other events around the innovation. Promotional material (training manuals, brochures, videos, newspaper articles etc.). Feedback from external stakeholders - customers, market networks. Surveys. Other secondary data like national statistics.</p>																																				
<b>Baseline</b>	<p>The first scorecard-based assessment in any given project/programme will provide the baseline value against which future scorecard assessments can be compared.</p> <p>The global baseline value can be calculated once all projects/programmes have completed their first scorecard assessments.</p>																																				
<b>Frequency</b>	<p>Project/programme-duration, updated annually.</p>																																				
<b>Reporting Responsibility</b>	<p>AEs undertake the assessment. A participatory process is used where relevant to ensure professional judgments are validated; the results handbook (to be completed, upon adoption of the IRMF by the Board) outlines alternative processes for doing this.</p>																																				

	Scorecards will be aggregated, and further analysis (country, regional, global groupings) will be done by GCF Secretariat.
<b>Reporting Format</b>	Underlying data provided via APRs, then aggregated and reported via GCF website and to the Board.
<b>Core Indicator 7</b>	<b>MARKET DEVELOPMENT AND TRANSFORMATION:</b> Degree to which GCF's investments contribute to new markets and business activities at the sectoral, local, or national level and create enabling environments for market transformation.
<b>Unit</b>	Projects/programmes are measured and reported against a four-point scale, where 0 = no new market development and transformation, and 3 = high level of market development and transformation through improved business model track record and increased job creation.
<b>Rationale</b>	<p>Through its projects/programmes, the GCF is committed to creating new markets and business activities at the sectoral, local or national level. This means an enabling environment would need to be created which would entail reducing costs and risks, eliminating barriers to the deployment of low-emission and climate-resilient solutions and maximising the opportunities for economic opportunities and market access for women and other socially excluded groups.</p> <p>The indicator is well-aligned to the GCF's Investment Framework criterion 2 (Paradigm shift potential) and in particular to the assessment factor "extent to which the project/programme creates new markets and business activities at the local, national or international levels" as well as with sub-criterion 3 (contribution to the creation of an enabling environment) to ensure data gathered through this indicator can be used to track and compare actual progress against initial proposals. The indicator is also partially aligned with SDG 5 'Gender equality: achieve gender equality and empower all women and girls.'</p>
<b>Definition</b>	<p>The indicator is used to measure whether GCF activities are supporting and informing market development and transformation through improved and sustainable business models and increased job creation, particularly in the green sector.</p> <p>Assessment will be undertaken at the project/programme level. Effective market development and transformation is divided into a series of elements assessed using a scorecard-based approach. These elements are:</p> <ul style="list-style-type: none"> <li>• Evidence of emerging signs (e.g. reduced costs and risks, eliminating barriers) that GCF's investments are contributing towards market development/transformation or other type of systems change.</li> <li>• Extent to which there is routine reflection on the performance of both what has and has not worked in relation to market development and transformation.</li> <li>• Extent to which GCF's investments will change incentives for market participants by reducing costs and risks and eliminating barriers to the deployment of low-emission solutions.</li> <li>• Evidence (market consolidation, job creation, skills mainstreaming) GCF investments are contributing towards a market or other type of systems change.</li> </ul> <p>Based on assessment of all the above elements, the indicator provides a single "score" for each project/programme that can be tracked over time. Data for all projects/programmes can also be aggregated to provide "scores" at the global level, on a regional basis, or according to country groupings (e.g. LDCs, SIDS, etc.).</p>
<b>Disaggregation</b>	Scoring is undertaken at the project/programme-level, so once all project/programme assessments have been completed it will be possible to analyze trends for different country groups, according to analytical needs: for example, aggregate "scores" could be calculated and tracked by <b>region</b> , for <b>LDCs</b> , for <b>SIDS</b> , for <b>Readiness Programme participants</b> , etc.
<b>Methodology</b>	Indicator measurement is undertaken through a <b>scorecard-based approach</b> , whereby various elements of a project's/programme's capacity to contribute to market development and transformation are assessed against a four-point scale with values ranging from 0 (no evidence or capacity) to 3 (high evidence or capacity).

	<p>Annual assessments will be undertaken by the AEs as part of the APR. It is recommended scoring is done participatively with other stakeholders (NDAs, civil society and other stakeholders). Possible participative processes are explained in further detail in the results handbook (to be developed, post-adoption of the IRMF by the Board).</p> <p>The scoring exercise will be part of an annual performance assessment. The scorecard will be part of an annual report, and there will be space provided next to each scorecard to provide additional information to justify each score. 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There will invariably be some variation in assessments with different weights/importance placed on different aspects of capacity. Any change in score will also require a short narrative explanation to provide transparency and also to assist learning about the trajectory of improvement.</p> <p>Subjectivity cannot be entirely eliminated from the assessments, but a process of review and benchmarking can help to mitigate bias, improve consistency and allow assessors to learn from each other. It is encouraged that – once all annual assessments have been completed – some form of portfolio validation exercise be undertaken. This could involve an annual participatory assessment that brings AE, NDA representatives and GCF Secretariat staff together to compare assessments and approaches.</p>	<b>No market development and transformation</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>High level of market development and transformation</b>	No evidence of projects/programmes contributing towards market development and transformation					Strong evidence (new sources of finance, market consolidation, job creation – particularly for women and other excluded groups skills mainstreaming) of projects/programmes contributing towards market development and transformation	No evidence of how projects/programmes influence incentives for market participants by reducing costs, risks and eliminating barriers to the deployment of low-emission solutions					Strong evidence of how projects/programmes influence incentives for market participants by reducing costs, risks and eliminating barriers to the deployment of low-emission solutions	No reflection on performance of what has or not worked in relation to market development and transformation at the project/programme level					Routine reflection on performance of what has or not worked in relation to market development and transformation at the project/programme level	No sharing of best practices between and among projects/programmes on innovative approaches to address market development and transformation					Strong evidence of sharing of best practices between and among projects/programmes on innovative approaches to address market development and transformation
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<b>Data Sources</b>	APRs Interim and final evaluations Stakeholder consultations reports																														
<b>Baseline</b>	The first scorecard-based assessment in any given project/programme will provide the baseline value against which future scorecard assessments can be compared.																														

	The global baseline score can be calculated once all projects/programmes have completed their first scorecard assessments.
<b>Frequency</b>	Project/programme-duration, updated annually.
<b>Reporting Responsibility</b>	<p>AEs undertake the assessment. A participatory process is used where relevant to ensure professional judgments are validated; the results handbook (to be completed, upon adoption of the IRMF by the Board) outlines alternative processes for doing this.</p> <p>Scorecards will be aggregated and further analysis (country, regional, global groupings) will be done by GCF Secretariat.</p>
<b>Reporting Format</b>	Underlying data provided via APRs, then aggregated and reported via GCF website and to the Board.
<b>Core Indicator 8</b>	<b>KNOWLEDGE GENERATION, CAPTURE AND LEARNING:</b> Degree to which GCF's investments contribute to effective knowledge generation and learning processes, and use of good practices, methodologies and standards for aligning financial flows with the goals of the Paris Agreement and sustainable development.
<b>Unit</b>	Projects/programmes are measured and reported against a four-point scale, where 0 = no knowledge generation, capture and learning, and 3 = high knowledge generation, capture and learning.
<b>Rationale</b>	<p>The GCF is committed to becoming a knowledge leader in the field of climate finance. This means it needs to effectively learn from its portfolio and share and disseminates this learning. This requires the creation of a systematic learning culture and also ensuring that generated knowledge informs others in an engaging and accessible manner.</p> <p>The GCF acknowledges developing countries need sustained investment in knowledge, institutional and human capacities to realize their climate ambitions. One aim of the GCF is to build a global thought-leadership role, leveraging its knowledge and the knowledge of its wide partnership network to synthesize learning and enable replication of proven interventions that can, at scale, shift global financial flows in line with the Sustainable Development Goals and Paris Agreement.</p> <p>This indicator is aligned with SDG 13.3 'Improve education, awareness raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning.'</p> <p>The indicator is also well-aligned to the GCF's Investment Framework criterion 2 (paradigm shift potential) and in particular to the assessment factor "existence of a monitoring and evaluation plan and a plan for sharing lessons learned so that they can be incorporated within other projects". It is also partially aligned with the GCF's Investment Framework sub-criterion 1 (potential for scaling-up and replication) and sub-criterion 2 (knowledge and learning potential) so data gathered through this indicator can be used to track and compare actual progress against initial proposals.</p>
<b>Definition</b>	<p>The indicator is used to measure whether GCF activities are supporting and informing improved CC investments by effective knowledge generation, capture and learning.</p> <p>Assessment will be undertaken at the project/programme level. Effective knowledge generation, learning is divided into a series of elements that are assessed using a scorecard-based approach. These elements are:</p> <ul style="list-style-type: none"> <li>• Extent to which there is routine documented reflection on the performance of both what has and has not worked in CC interventions.</li> <li>• Extent to which there is an effective institutional system for monitoring, evaluation, action, learning and knowledge management.</li> <li>• Extent to which learning leads to action either through clear evidence of a change in direction, scale up of approach, or uptake by others.</li> <li>• Extent to which there is an effective hub or mechanism for the facilitation of effective peer knowledge exchange.</li> </ul> <p>Extent to which there is evidence of learning and sharing good practices between and among actors at sectoral, local or national level. Based on assessment of all the above elements, the indicator provides a single "score" for each project/programme that can be tracked over time. Data for all projects/programmes can also be aggregated to provide</p>

	<p>“scores” at sectoral and global levels, on a regional basis, or according to country groupings (e.g. LDCs, SIDS etc.).</p>																																				
<p><b>Disaggregation</b></p>	<p>Scoring is undertaken at the project/programme level, so once all projects/programmes assessments have been completed it will be possible to analyze trends for different country groups, according to analytical needs: for example, aggregate “scores” could be calculated and tracked by region, for LDCs, for SIDS, for Readiness Programme participants, etc.</p>																																				
<p><b>Methodology</b></p>	<p>Indicator measurement is undertaken through a scorecard-based approach, whereby various elements of a project’s/programme’s institutional capacity are assessed against a four-point scale with values ranging from 0 (no capacity) to 3 (high capacity).</p> <p>Annual assessments will be undertaken by AEs as part of the APR. It is recommended scoring is done participatively with other stakeholders (NDAs, civil society and other stakeholders). Possible participative processes are explained in further detail in the results handbook (to be developed, post adoption of the IRMF by the Board).</p> <p>The scoring exercise will be part of an annual performance assessment. The scorecard will be part of an annual report, and there will be space provided next to each scorecard to provide additional information to justify each score. 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	<p>Subjectivity cannot be entirely eliminated from the assessments, but a process of review and benchmarking can help to mitigate bias, improve consistency and allow assessors to learn from each other at sectoral/local/national/global levels. It is encouraged that – once all annual assessments have been completed – some form of portfolio validation exercise be undertaken where relevant. This could involve an annual participatory assessment that brings AE, NDA representatives and GCF Secretariat staff together to compare assessments and approaches.</p>
<b>Data Sources</b>	<ul style="list-style-type: none"> <li>• NDA records and experience</li> <li>• Training records</li> <li>• Conference/outreach event agendas</li> <li>• Publications/training manuals/dissemination materials</li> <li>• Project/Programme APRs, interim and final evaluations, stakeholder consultations reports</li> </ul>
<b>Baseline</b>	<p>The first scorecard-based assessment in any project/programme will provide the baseline value against which future scorecard assessments can be compared.</p> <p>The global baseline score can be calculated once all projects/programmes have completed their first scorecard assessments.</p>
<b>Frequency</b>	Project/programme-duration, updated annually.
<b>Reporting Responsibility</b>	NDA, AEs and GCF undertake a participatory assessment. Scorecards aggregated and further analysis (global, regional, country groupings, etc.) done by GCF Secretariat.
<b>Reporting Format</b>	Underlying data provided via APRs, then aggregated and reported via GCF website and to the Board.

## Annex V: Linkages between the IRMF and the initial IF

<b>IRMF indicators</b>	<b>Investment Framework (criterion)</b>	<b>Investment Framework (sub-criterion)</b>
<b>Paradigm shift potential - Scale</b>	Paradigm shift potential	Potential for expanding the scale and impact of the proposed programme or project (scalability)
<b>Paradigm shift potential - Depth</b>	Paradigm shift potential	Potential for expanding the proposal's impact without equally increasing its cost base (scalability)
<b>Paradigm shift potential - Sustainability</b>	Paradigm shift potential	Sustainability of outcomes and results beyond completion of the intervention
<b>Core 1: GHG emissions reduced, avoided or removed/ sequestered</b>	Impact potential (mitigation impact) Sustainable development potential	Contribution to the shift to low-emission sustainable development pathways
<b>Core 2: Direct and indirect beneficiaries</b>	Impact potential (Adaptation impact) Sustainable development potential	Contribution to increased climate-resilient sustainable development for most vulnerable people and communities
<b>Core 3: Improved physical assets for emission reductions or increased resilience against climate hazards</b>	Impact potential (Adaptation impact) Sustainable development potential	Contribution to the shift to low-emission sustainable development pathways and or increased climate-resilient sustainable development for most vulnerable people and communities
<b>Core 4: Improved natural resource assets for emission reductions or increased resilience against climate hazards</b>	Impact potential (Adaptation impact) Sustainable development potential	Contribution to the shift to low-emission sustainable development pathways and or increased climate-resilient sustainable development for most vulnerable people and communities
<b>Core 5: Institutional and regulatory frameworks</b>	Paradigm shift potential	Potential for strengthened regulatory frameworks and policies to drive investment in low-emission technologies and activities
<b>Core 6: Diffusion of climate change technology and innovation</b>	Paradigm shift potential	Innovation
<b>Core 7: Market development and transformation</b>	Paradigm shift potential	Market development and transformation
<b>Core 8: Knowledge generation, capture and learning</b>	Paradigm shift potential	Contribution to the creation or strengthening of knowledge, collective learning

## Annex VI: Linkages between the IRMF and the GCF's result areas

IRMF indicators	GCF Result Areas
<b>Core 1: GHG emissions reduced, avoided or removed /sequestered, per result area</b>	Area 1: Energy generation and access Area 2: Low-emission transport Area 3: Buildings, cities, industries and appliances Area 4: Forests and land use
1.1 Annual energy savings	Area 3: Buildings, cities, industries and appliances
1.2 Megawatt-hours energy storage system installed	Area 1: Energy generation and access
1.3 Installed capacity (MW) in energy access and power generation	Area 1: Energy generation and access
1.4 Improved low-emission vehicle fuel economy	Area 2: Low emissions transport
1.5 Proportion of newly designed buildings performing green services	Area 3: Buildings, cities, industries and appliances
<b>Core 2: Direct and indirect beneficiaries, per result area</b>	Area 5: Most vulnerable people and communities Area 6: Health, well-being, food and water security Area 7: Infrastructure and built environment Area 8: Ecosystems and ecosystem services
2.1 Direct beneficiaries (female/male) adopting improved and/or new climate-resilient livelihood options	Area 5: Most vulnerable people and communities
2.2 Direct beneficiaries (female/male) with improved food security (reduced food insecurity)	Area 6: Health, well-being, food and water security
2.3 Direct beneficiaries (female/male) with more climate-resilient water security	Area 6: Health, well-being, food and water security
2.4 Direct beneficiaries (female/male) covered by new or improved early warning systems	Area 5: Most vulnerable people and communities
2.5 Direct beneficiaries (female/male) adopting innovations that strengthen climate change resilience	Area 5: Most vulnerable people and communities
2.6 Direct beneficiaries (female/male) living in buildings that have increased resilience against climate hazards	Area 7: Infrastructure and built environment
<b>Core 3: Improved physical assets for emission reductions or increased resilience against climate hazards, per result area and asset type</b>	Area 3: Buildings, cities, industries and appliances Area 7: Infrastructure and built environment
3.1 Business physical assets for emission reductions or increased resilience against climate hazards, per result area and asset type	Area 3: Buildings, cities, industries and appliances Area 7: Infrastructure and built environment
3.2 Public service physical assets for emission reductions or with increased resilience against climate hazards, per result area and asset type	Area 3: Buildings, cities, industries and appliances Area 7: Infrastructure and built environment
<b>Core 4: Improved natural resource assets for emission reductions or increased resilience against climate hazards, per result area and asset type</b>	Area 4: Forest and land use Area 8: Ecosystems and ecosystem services

<b>IRMF indicators</b>	<b>GCF Result Areas</b>
4.1 Land or forest brought under climate-resilient management practices, per result area and asset type	Area 4: Forest and land use
4.2 Ecosystems restored or protected to increase resilience against climate hazards, per result area and asset type	Area 8: Ecosystems and ecosystem services
<b>Core 5: Institutional and regulatory frameworks</b>	All eight result areas
<b>Core 6: Diffusion of climate change technology and innovation</b>	All eight result areas
<b>Core 7: Market development and transformation</b>	All eight result areas
<b>Core 8: Knowledge generation, capture and learning</b>	All eight result areas

## Annex VII: Overview of roles and responsibilities

1. The overall roles and responsibilities of respective GCF stakeholders for the approach proposed within the IRMF are outlined below. In accordance with the proposed results architecture of the IRMF, it shows (i) which stakeholders are engaged at different levels of the results chain and (ii) what are their respective mandates. At the far right-hand side of the table presented below are “Notes” which highlight what type of measurement, data aggregation and qualitative assessments are required to be collected by the Secretariat and relevant stakeholders.

Results architecture	IRMF		Mandate of GCF stakeholders			Notes
	Measurement	NDA	AE	GCF Secretariat		
GCF IMPACT	Paradigm shift potential  Three dimensions: 1) Scale 2) Depth 3) Sustainability	Facilitate participatory workshops with AEs and relevant stakeholders.	1) Assess paradigm shift potential by scoring relevant three dimensions in <u>interim and final evaluations</u> .  2) Update relevant dimensions <u>annually</u> through APRs in narratives, if applicable.  3) Hold participatory workshops <sup>1</sup> at the <u>interim and final evaluation stages</u> to assess.	1) Aggregate project/programme data at the Fund-level and conduct portfolio-level analysis.  2) Support AEs to conduct participatory “self-assessment” workshops.  3) Ex-post verification: conduct ex-post verifications.  4) Ex-post review: Conduct ex-post review for a sample of projects/programmes to assess the credibility of results achieved over the lifespan of an asset/investment.		The proposal should outline the degree of changes in measuring paradigm shift potential with three dimensions using a scorecard-based approach.  The main objective of this assessment is for the GCF Secretariat to determine whether there has been a contribution to paradigm shift potential due to GCF’s interventions. These studies will also provide useful information, which may be used in GCF publications as compelling “story telling” of change promoted through GCF interventions.

<sup>1</sup> Workshops will be held on a voluntary basis, but AEs are encouraged to conduct these based on participatory principles outlined in the MAF.

IRMF		Mandate of GCF stakeholders			Notes
Results architecture	Measurement	NDA	AE	GCF Secretariat	
GCF OUTCOMES	<p>Reduced Emissions and Increased Resilience</p> <p>1) GHG emissions reduced, avoided or removed/sequestered 2) Direct and indirect beneficiaries 3) Improved physical assets for emissions reduction or increased resilience against climate hazards 4) Improved natural resource assets for emission reductions or increased resilience against climate hazards</p>	<p>Facilitate participatory workshops with AEs and relevant stakeholders.</p>	<p>Measure and report relevant indicators <u>annually</u> through APRs.</p> <p>Reporting requirements: Either Core 1 or Core 2, or both as mandatory; Core 3 and 4 as relevant.</p>		<p>Data coming from project/programme level indicators will determine progress in terms of reduced emissions and increased resilience.</p> <p>Data from these indicators will be used to report progress of GCF interventions per country, region, or aggregated at the portfolio level.</p>
	<p>Systemic Change</p> <p>1) Institutional and regulatory frameworks 2) Diffusion of climate change technology and innovation 3) Market development and transformation 4) Knowledge generation, capture and learning</p>	<p>Facilitate participatory workshops with AEs and relevant stakeholders.</p>	<p>Measure and report relevant indicators <u>annually</u> through APRs in scorecards and narratives.</p> <p>Reporting requirements: At least two core indicators including knowledge generation, capture and learning.</p>		<p>A two-track approach is applied in assessing the four core indicators:</p> <p>1) In line with the four core indicators, a qualitative scorecard assessment is applied.</p> <p>2) Measuring ‘quantitative’ aspects from AEs through the RTT.</p>

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## Annex VIII: Results Tracking Tool

1. The Results Tracking Tool set out below has been designed to enable integrated reporting of progress toward the delivery of the updated Strategic Plan of the GCF: 2020-23. Progress on the implementation of the Strategic Plan will be reported by the Secretariat at the first Board meeting of each year from 2021, including potential course corrections required and tracking of results. The Results Tracking Tool is a reporting and accountability tool that will allow the GCF to track how resources deliver climate results during the 2020-23 programming period, also linking this to institutional results.
2. This Results Tracking Tool follows the climate results architecture of the integrated results management framework (IRMF). Its structure would need to be aligned with the final Board-approved IRMF, to ensure consistency in what is being measured and the range of indicators used.
3. In relation to climate results, the Results Tracking Tool for GCF-1 will principally track expected climate results as detailed under funding proposals relative to programmed amounts, given reported data on actual results across the range of indicators is expected to be limited during the GCF-1 period. However, for the two core indicators of tonnes of emissions reduced/avoided and beneficiaries, the RTT will also track actual climate results reported through project implementation relative to disbursed amounts. Increased reporting of actual results is expected under the RTTs for subsequent programming periods, as more projects report implementation data.
4. The data under the Results Tracking Tool, both for expected and actual results, will be updated on an annual basis as part of the reporting under the 2020-23 Strategic Plan, to reflect changes that may occur due to project cancellations or restructuring. Material changes will also be flagged as part of this analysis, to inform any required course corrections.
5. The tool includes illustrative potential results for core indicators where baseline data is available from the IRM (i.e. tonnes CO<sub>2</sub> reduced/avoided and beneficiaries). The illustrative results have been derived from modelling based on an assumption that GCF-1 programming would follow similar trends as during the IRM and are not intended to specify programming or resourcing allocations for GCF-1. By the end of 2023 it is anticipated that the Results Tracking Tool would enable GCF to present a more comprehensive picture of how GCF resources have contributed to a range of climate and institutional results. Should the Board wish to explore this option, the Results Tracking Tool could also be used as a planning instrument for future GCF replenishments.

**Table 1: Resourcing for climate impacts**

		Initial Resource Mobilization (IRM) results baseline <sup>1</sup>	IRM GCF resourcing baseline	GCF-1 Results <sup>2</sup>	Resourcing and programming for GCF-1	
<b>Level 1: GCF Impact - Paradigm shift</b>						
<b>Depth</b>	Number of GCF projects / % portfolio indicating that GCF support will be critical to deliver depth outcomes	New indicator	-	<i>To be reported</i>		
<b>Scale</b>	Number of GCF projects / % portfolio indicating that GCF support will be critical to deliver scale outcomes	New indicator	-	<i>To be reported</i>		
<b>Sustainability</b>	Number of GCF projects / % portfolio indicating that GCF support will be critical to deliver sustainability outcomes	New indicator	-	<i>To be reported</i>		
<b>Level 2A: GCF Portfolio Outcomes</b>						
<b>Reduced emissions and enhanced resilience</b>	Tonnes of carbon dioxide equivalent (tCO <sub>2</sub> eq) reduced or avoided – <i>expected results</i>	<i>1,534 million tCO<sub>2</sub>eq</i>	USD 3.5 billion	<i>Projected 4,937 million tCO<sub>2</sub>eq</i>	<i>To be reported</i>	
		Average tonnes/ billion USD		Average tonnes/ billion USD		
			<i>438 million tCO<sub>2</sub>eq / billion</i>		<i>To be reported</i>	
			-	-	<i>To be reported</i>	<i>To be reported</i>

<sup>1</sup> Results baselines are based on the IRM portfolio as at 31 December 2019. Material changes to the baselines in light of project cancellations and restructuring will be flagged under the Secretariat's annual reporting on the implementation of the 2020-23 Strategic Plan, using the Results Tracking Tool.

<sup>2</sup> Projected results have been calculated based on the IRM results baseline as at 31 December 2019.

	Initial Resource Mobilization (IRM) results baseline <sup>1</sup>	IRM GCF resourcing baseline	GCF-1 Results <sup>2</sup>	Resourcing and programming for GCF-1	
	Tonnes of carbon dioxide equivalent (tCO <sub>2</sub> e) reduced or avoided – <i>actual results delivered through disbursements</i>	Average tonnes/ billion USD		Average tonnes/ billion USD	
		-		<i>To be reported</i>	
	Number of beneficiaries – <i>expected results</i>	320 million beneficiaries	USD 2.1 billion	Projected 618 million beneficiaries	<i>To be reported</i>
		Average beneficiaries/ billion USD		Average beneficiaries/ billion USD	
		152 million beneficiaries / billion		<i>To be reported</i>	
	Number of beneficiaries – <i>actual results delivered through disbursements</i>	-	-	<i>To be reported</i>	<i>To be reported</i>
		Average beneficiaries/ billion USD		Average beneficiaries/ billion USD	
		-		<i>To be reported</i>	
	Physical assets with increased resilience against climate hazards	New indicator	-	<i>To be reported</i>	Projected USD 8.7 billion in GCF-1  Delivered through total programming budget
	Natural resource assets with increased resilience against climate hazards	New indicator	-	<i>To be reported</i>	
	Total expected co-financing	USD 15 billion	USD 5.6 billion	<i>To be reported</i>	

		Initial Resource Mobilization (IRM) results baseline <sup>1</sup>	IRM GCF resourcing baseline	GCF-1 Results <sup>2</sup>	Resourcing and programming for GCF-1
	Total mobilized private sector finance	-	USD 5.6 billion	<i>To be reported</i>	
	GHG abatement costs	USD 9.29/ tCO <sub>2</sub> eq	USD 5.6 billion	<i>To be reported</i>	
Systemic change	<b>Institutional and regulatory frameworks</b>				Projected USD 8.7 billion in GCF-1 Delivered through total programming budget
	Number of GCF projects / % portfolio contributing to institutional and regulatory frameworks	New indicator	-	<i>To be reported</i>	
	<b>Diffusion of climate change innovation</b>				
	Number of GCF projects / % portfolio contributing diffusion of climate change technology and innovation	New indicator	-	<i>To be reported</i>	
	<b>Market development and transformation</b>				
	Number of GCF projects / % portfolio contributing to market development and transformation	New indicator	-	<i>To be reported</i>	
	<b>Knowledge generation, capture and learning</b>				
Number of GCF projects / % portfolio contributing to knowledge generation, capture and learning	New indicator	-	<i>To be reported</i>		

	Initial Resource Mobilization (IRM) results baseline <sup>1</sup>	IRM GCF resourcing baseline	GCF-1 Results <sup>2</sup>	Resourcing and programming for GCF-1
<b>Level 2B: Result Area Outcomes</b>				
<b>Reduced emissions through increased low-emission energy access and power generation</b>				
GHG emissions reduced, avoided or removed/sequestered (Unit: Tonnes)	<i>1,157 million tCO<sub>2</sub>eq TBD</i>	USD 2.1 billion 37.5 per cent of IRM portfolio	<i>Projected 3,685 million tCO<sub>2</sub>eq 37.5 per cent of GCF-1 portfolio</i>	<i>To be reported</i>
Annual energy savings (Unit: Megawatt-hours)	New indicator	-	<i>To be reported</i>	<i>To be reported</i>
Megawatt-hours energy storage system installed (Unit: Megawatt-hours) <sup>3</sup>	New indicator	-	<i>To be reported</i>	<i>To be reported</i>
Installed capacity in energy access and power generation (Unit: Megawatts) <sup>4</sup>	New indicator	-	<i>To be reported</i>	<i>To be reported</i>
<b>Reduced emissions through increased access to low-emission transport</b>				
GHG emissions reduced, avoided or removed/sequestered (Unit: Tonnes)	<i>26 million tCO<sub>2</sub>eq</i>	USD 137 million 2.4 per cent of IRM portfolio	<i>Projected 20 million tCO<sub>2</sub>eq 2.4 per cent of GCF-1 portfolio</i>	<i>To be reported</i>

<sup>3</sup> This indicator applies to renewable energy sources or generators.

<sup>4</sup> This indicator applies to renewable energy sources or generators.

	Initial Resource Mobilization (IRM) results baseline <sup>1</sup>	IRM GCF resourcing baseline	GCF-1 Results <sup>2</sup>	Resourcing and programming for GCF-1
Improved low-emissionslow-emission vehicle fuel economy (Unit: Volume of Fuel fuel per kilometre)	New indicator	-	<i>To be reported</i>	<i>To be reported</i>
<b>Reduced emissions from buildings, cities, industries and appliances</b>				
GHG emissions reduced, avoided or removed/sequestered (Unit: Tonnes)	<i>250 million tCO<sub>2</sub> eq.</i>	USD 779 million  13.9 per cent of IRM portfolio	<i>Projected 329 million tCO<sub>2</sub>eq</i>  <i>13.9 per cent of GCF-1 portfolio</i>	<i>To be reported</i>
Annual energy savings (Unit: Megawatt-hours)	New indicator	-	<i>To be reported</i>	<i>To be reported</i>
Proportion of newly designed buildings performing green services (Unit: Percentage %, proportion of newly designed buildings or performing green services)	New indicator	-	<i>To be reported</i>	<i>To be reported</i>
Business physical assets with increased resilience against climate hazards, by asset type (Unit 1: Number or dimension of assets expressed in relevant unit, e.g. km, ha) (Unit 2: USD)	New indicator	-	<i>To be reported</i>	<i>To be reported</i>
Public service physical assets with increased resilience against climate hazards, by asset type (Unit 1: Number or dimension of assets expressed in relevant unit, e.g. km, ha) (Unit 2: USD)	New indicator	-	<i>To be reported</i>	<i>To be reported</i>

	Initial Resource Mobilization (IRM) results baseline <sup>1</sup>	IRM GCF resourcing baseline	GCF-1 Results <sup>2</sup>	Resourcing and programming for GCF-1
<b>Reduced emissions from land use, deforestation and forest degradation, and through sustainable forest management and conservation and enhancement of forest carbon stock</b>				
GHG emissions reduced, avoided or removed/sequestered (Tonnes)	<i>192 million tCO<sub>2</sub>eq</i>	USD 505 million 9 per cent of IRM portfolio	<i>Projected 904 million tCO<sub>2</sub>eq</i> 9 per cent of GCF-1 portfolio	<i>To be reported</i>
Land or forest brought under climate-resilient management practices, by asset type (Unit 1: Hectare) (Unit 2: Percentage, proportion of natural assets with increased resilience)	New indicator	-	<i>To be reported</i>	<i>To be reported</i>
<b>Increased resilience and enhanced livelihoods of the most vulnerable people, communities and regions</b>				
Direct beneficiaries (female/male) adopting improved and/or new climate-resilient livelihood options (Unit: individual)	<i>118 million beneficiaries in total</i>	USD 592 million  10.5 per cent of IRM portfolio	<i>Projected 189 million beneficiaries</i>  10.5 per cent of GCF-1 portfolio	<i>To be reported</i>
Direct beneficiaries (female/male) covered by new or improved early warning systems (Unit: individual)	New indicator			
Direct beneficiaries (female/male) adopting innovations that strengthen climate change resilience (Unit: individual)	New indicator			
<b>Increased resilience of health and well-being, and food and water security</b>				

	Initial Resource Mobilization (IRM) results baseline <sup>1</sup>	IRM GCF resourcing baseline	GCF-1 Results <sup>2</sup>	Resourcing and programming for GCF-1
Direct beneficiaries (female/male) with improved food security (reduced food insecurity) (Unit: individual)	<i>91 million beneficiaries in total</i>	USD 623 million	<i>Projected 256 million beneficiaries</i>	<i>To be reported</i>
Direct beneficiaries (female/male) with more climate-resilient water security (Unit: individual)		11.1 per cent of IRM portfolio	11.1 per cent of GCF-1 portfolio	
<b>Increased resilience of infrastructure and the built environment to climate change threats</b>				
Direct beneficiaries (female/male) living in buildings that have increased resilience against climate hazards (Unit: household or individual)	<i>89 million beneficiaries</i>	USD 585 million 10.4 per cent of IRM portfolio	<i>Projected 117 million beneficiaries</i> 10.4 per cent of GCF-1 portfolio	<i>To be reported</i>
Business physical assets with increased resilience against climate hazards, by asset type (Unit 1: Number or dimension of assets expressed in relevant unit, e.g. km, ha) (Unit 2: USD)	New indicator	-	<i>To be reported</i>	<i>To be reported</i>
Public service physical assets with increased resilience against climate hazards, by asset type (Unit 1: Number or dimension of assets expressed in relevant unit, e.g. km, ha) (Unit 2: USD)	New indicator	-	<i>To be reported</i>	<i>To be reported</i>
<b>Improved resilience of ecosystems and ecosystem services</b>				

	Initial Resource Mobilization (IRM) results baseline <sup>1</sup>	IRM GCF resourcing baseline	GCF-1 Results <sup>2</sup>	Resourcing and programming for GCF-1
Number of females and males benefitting from improved resilience of ecosystems and ecosystem services (Unit: Individuals)	<i>28 million beneficiaries in GCF-1 TBD</i>	USD 295 million  5.2 per cent of IRM portfolio	<i>Projected 55 million beneficiaries</i>	<i>To be reported</i>
Ecosystems restored or protected to increase resilience against climate hazard, by asset type (Unit 1: Hectare) (Unit 2: Percentage, proportion of natural assets with increased resilience)	New indicator	<i>To be reported</i>	5.2 per cent of GCF-1 portfolio	

**Table 2: Resourcing for organizational effectiveness and efficiency results**

	IRM results baseline	GCF-1 Goals	Resourcing for GCF-1
<b>Level 3: Institutional level outcomes</b>			
<b>Institutional outcome 1: Improving GCF processes</b>			
Output 1.1: All major GCF processes are codified and communicated to stakeholders through dedicated manuals, guides and SOPs (e.g. operations, programming, project assessment, policy development, finance, procurement, HR,)	Ad hoc use of Administration Instructions for internal governance	Manuals, guides and SOPs are finalized and communicated to stakeholders	Delivered through GCF-1 administrative budget
Output 1.2: Stakeholders have real time access to information on proposal status and improved interaction with GCF through web-based tracking systems	Stakeholders do not have real-time access to the status of their proposals.	Accessible web-based real-time tracking platforms in place	
Output 1.3: Service standards for GCF/Secretariat processes are elaborated and implemented (Readiness, CNs, FPs, PPF, SAP, accreditation) and timelines for GCF/Secretariat processes are reduced	Service standards not in place or partially in place and timelines are not consistent	Service standards developed and Secretariat turnaround timelines are reduced	
<b>Institutional outcome 2: Strengthening implementation, results and knowledge management</b>			
Output 2.1: Implementation timelines are reduced <ul style="list-style-type: none"> <li>An increasing number of FPs reaching Board consideration with pre-negotiated FAA</li> <li>Average number of conditions attached to projects is reduced</li> </ul>	New indicator	<i>To be reported</i>	

	IRM results baseline	GCF-1 Goals	Resourcing for GCF-1
Output 2.2: GCF-1 portfolio is fully equipped to track and monitor results	New indicator	100% TBC	Delivered through GCF-1 administrative budget
Output 2.3: GCF portfolio management system is strengthened, automated and includes early warning systems for key implementation issues	New indicator	Automated portfolio management system with early warnings in place	
Output 2.4: Responsiveness to implementation issues is enhanced, with all FPs with implementation issues responded to by the GCF within established timelines	New indicator	100% TBC	
Output 2.5: A knowledge management system is developed and mainstreamed through GCF processes	New indicator	KM system in place	
<b>Institutional outcome 3: Improved stakeholder collaboration and engagement with impacted people and communities</b>			
Output 3.1: All FPs are compliant with GCF's gender policy, indigenous peoples' policy and GCF's environmental and social standards	100%	100%	Delivered through GCF-1 administrative budget
Output 3.2: All GCF staff participate in gender, social inclusion and SEAH training	New indicator	100%	
Output 3.3: A GCF partnerships and communications strategy is developed and implemented	New indicator	<i>To be reported</i>	
Output 3.4: Contributor reports produced on time	New indicator	100%	
<b>Institutional outcome 4: Enhanced institutional capacity</b>			
Output 4.1: Increased coverage of privileges and immunities	New indicator	<i>To be reported</i>	Delivered through GCF-1 administrative budget
Output 4.2: Digitalization of operations through increasing the percentage of business processes that are digitized, automated or benefited from automation-enabled reengineering	New indicator	<i>To be reported</i>	

	IRM results baseline	GCF-1 Goals	Resourcing for GCF-1
Output 4.4: Improved management of human resources <ul style="list-style-type: none"> <li>• A 95% fill ratio is maintained</li> <li>• 100% of staff undertake GCF onboarding/core knowledge training</li> <li>• 100% of staff with PMDSs aligned to institutional and divisional priorities</li> </ul>	New indicators	<i>To be reported</i>	
Output 4.5: Improved management of financial resources <ul style="list-style-type: none"> <li>• Annual financial planning for programming is in place</li> <li>• Annual budget execution within 10% of allocation</li> </ul>	New indicators	<i>To be reported</i>	