



**GREEN
CLIMATE
FUND**

Meeting of the Board

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Virtual meeting

Provisional agenda item 13

GCF/B.28/07

23 February 2021

Schedule and Budget of the Second Performance Review of the Green Climate Fund

Summary

This document summarizes the budget and schedule of the Independent Evaluation Unit's (IEU) Second Performance Review of the Green Climate Fund (SPR). It contains: (i) an introduction to the SPR; (ii) schedule for the Second Performance Review of the GCF; and (iii) budget for the Second Performance Review of the GCF.

I. Introduction

1. The Updated Strategic Plan for the Green Climate Fund: 2020-2023 notes the following with respect to the second performance review: *“With a view to enhance delivery of the GCF strategic vision towards 2050, the second performance review of the GCF will incorporate a review of how effectively GCF programming and operations have evolved from the IRM period to deliver the vision, objectives and priorities in the Strategic Plan for 2020-2023, complemented by a Secretariat-led review of the GCF policy frameworks. This will in turn inform work to further assess opportunities for GCF strategic programming in the second replenishment period (GCF-2), taking account of needs identified in country programmes and an evidence-based understanding of GCF programming potential.”*

2. In decision B.27/08 the Board requested that the Independent Evaluation Unit: “in consultation with the Budget Committee, to prepare a multi-year budget and schedule for the second performance review of the GCF for consideration by the Board at its twenty-eighth meeting.”

3. The IEU prepared the schedule and the budget for the SPR in consultation with the Budget Committee and the GCF Secretariat. This budget is based on IEU’s assessment of the scope of the review, as well as institutional experience.

4. This document is organized as follows:

- (a) Introduction;
- (b) Annex I: Draft decision for the Board’s consideration;
- (c) Annex II: Schedule for the Second Performance Review of the GCF; and
- (d) Annex III: Budget for the Second Performance Review of the GCF.

II. Recommended action by the Board

5. It is recommended that the Board adopt the draft decision set out in annex I to this document.



Annex I: Draft decision of the Board

The Board, having considered document GCF/B.28/07 titled “Schedule and Budget of the Second Performance Review of the Green Climate Fund”:

- (a) Takes note of the schedule of the second performance review as contained in annex II of document GCF/B.28/07; and
- (b) Approves a budget of USD 1,315,000 for the second performance review as contained in annex III of document GCF/B.28/07.

Annex II: Schedule for the Second Performance Review of the GCF

I. Key events before GCF-2.

1. The Updated Strategic Plan for the Green Climate Fund: 2020-2023 notes the following with respect to the second performance review: “Findings of both the second performance review and strategic programming exercise will inform the Board’s consideration of a further update to the Strategic Plan in 2023, covering objectives and priorities for 2024-27, with a view to this being in place before the commencement of GCF-2.”
2. Launch of second replenishment: The policy for contributions states that “Trigger for the subsequent replenishment process: The GCF will initiate the next replenishment 30 months after the commencement of the replenishment period in order to allow sufficient time for the preparation and consideration of such reports and/or evaluations as may be necessary.”¹ Therefore, the replenishment is expected to begin in mid-2022.
3. Strategic Planning: In Decision B.27/06, the Board decided to “review the GCF Strategic Plan ahead of each replenishment process with a view to revising the strategic vision, if and as needed, and to update the strategic objectives and priorities for the coming replenishment cycle, taking into account evolving priorities, including guidance from the Conference of the Parties, the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, and relevant reports from the Independent Evaluation Unit.”

II. Schedule of the second performance review.

4. The schedule of the second performance review (SPR) takes into account the above guidance provided by the Board, including in the Updated Strategic Plan, Board Workplan 2020-2023, as well as the Policy for Contributions. Further, the IEU consulted with the Secretariat in the development of the schedule, while taking into account the scope and technical breadth of the review. With respect to the schedule, the following guidance of the Board is available:
 - (a) Mid-2022: Second replenishment will commence, to allow for consideration of evaluations, as may be necessary;
 - (b) 2023: SPR will inform the Board’s consideration of update to the Strategic Plan in 2023;
 - (c) 2023: The Board will review the Strategic Plan ahead of the replenishment and may take into account, *inter alia*, relevant reports from the IEU.
5. Taking into account the guidance already provided, and based on consultations with members of the Board as well as Secretariat, the IEU has designed the SPR to include four overlapping phases.
 - (a) **Planning.** During this phase the IEU will undertake initial planning for the review, including background data, preparation of budget and schedule, support for Board’s discussion and decision, and recruitment of external experts. This phase will run from December 2020-June 2021.
 - (b) **Inception.** During this phase, the IEU will work with a team of external supports to develop the overall approach for the SPR. The IEU will onboard the external experts and constitute an SPR team. The team will simultaneously undertake the following: synthesis of evidence available so far in the GCF and IEU, planning/ inception and writing of the approach paper, extensive consultation with Board Members, AEs,

¹ Decision B.24/02, Policy for contributions to the Green Climate Fund for the first replenishment.

CSOs/PSOs and others of the GCF ecosystem to inform the SPR. This phase will begin in April 2021 and will continue until December 2021.

- (c) **Data collection/ writing.** Data for the SPR will be collected including through (potentially virtual) country missions, review of the literature, consultations, GCF internal systems, IEU DataLab, surveys and other means determined during the inception phase. Collected data will be analyzed and reports will be drafted for various communications. This extensive phase will operate from May 2021 to December 2022.
 - (d) **Communication.** The communication of the second performance review will take various formats including: reports, presentation, discussions with Board members and others, IEU learning products etc. The reports will be produced to align with key events in the second replenishment and strategic planning for GCF-2. The final report will be delivered in 2023, with various outputs planned in 2022. The communication plan for the SPR takes into account the replenishment as well as strategic planning cycles. Please refer below for the sequence of final report with key events in GCF-2.
6. These phases may overall in operation and will subsequently inform one another. A visual representation of the schedule is in Figure 1.

III. Key outputs of the second performance review

7. A number of key outputs are expected from the SPR. These outputs will be produced and shared with the Board, so that the SPR is able to inform the second replenishment as well as the review of the strategic plan. The IEU has undertaken discussions with the Secretariat, so that the detailed planning for the replenishment and strategic planning are informed by and can utilize synergies with the SPR.
8. Two kinds of outputs are expected from the SPR. The first relate to methodological and procedural reports, without significant substantive review. The second kind of outputs will include substantive reports, that altogether constitute the SPR.

Methodological/ procedural reports

- (1) Approach paper. The approach paper will outline the key questions to be addressed by the review, as well as the key methodological approach for the review. It will provide the overall intellectual and operational direction of the SPR, including details of the key outputs expected. It will be delivered in the last quarter of 2021, subject to the Board approval of this schedule and procedural matters.
- (2) Progress reports. At every Board meeting, IEU activities reports will include an update on the progress made on the second performance review. The IEU will also report to the Budget Committee on the expenditure. These will be provided quarterly.

Substantive products

- (1) Synthesis and Strategy report. The performance review will produce a synthesis of available evidence, including through IEU evaluation reports, GCF reports, and other grey and peer-reviewed literature. This will be produced in the first quarter of 2022, and will be designed to provide early inputs from the SPR
- (2) Rapid assessment against the Updated Strategic Plan 2020-2023. As directed by the Updated Strategic Plan 2020-2023, this report will provide an early and rapid review of how effectively GCF programming and operations have evolved from the IRM period to

- deliver the vision, objectives and priorities in the Strategic Plan for 2020-2023 and of the progress of the achievements planned under the Updated Strategic Plan 2020-2023 ,
- (3) Emerging findings. The performance review will share emerging findings with the GCF Board and Secretariat at the end of the third quarter 2022 (in September 2022).
 - (4) Factual report for sharing with the GCF Secretariat. The factual report of the performance review will be shared with the Secretariat six weeks prior to final submission for review and consultation, and in the final quarter of 2022. This will allow for a factual review by the Secretariat, and for the IEU to address comments.
 - (5) Final report. The final report will be produced for the Board's consideration in time for the first Board meeting of 2023. The pledging conference for the second replenishment is currently expected to take place in mid-2023.
 - (6) Communication products. The IEU will organize several presentations, consultations, and webinars to disseminate the approach of the review, as well as the emerging findings and recommendations at several stages. These will include:
 - (a) September 2021: Approach paper of the second performance review
 - (b) March 2022: Rapid Assessment Report of Progress made on Strategic Plan 2020-2023
 - (c) March 2022: Evaluation Synthesis and Strategy Report
 - (d) June 2022: Reports of Country Missions
 - (e) September 2022: Emerging Findings
 - (f) February 2023: Final Report, including webinars and submission to Board, prior to pledging conference.
9. These key products will be supplemented by various consultation.

Annex III: Budget for the Second Performance Review of the GCF

1. The budget for the second performance review is developed across the standardised budget lines. The total budget of the second performance review is USD 1,315,000 and will be utilized in 2021-2022.
2. Description of the budget for the second performance review.
 - (a) **Full time staff and HQ-based Consultants:** The component of full-time staff and HQ-based consultants will be drawn from the core budget of the IEU, as approved by the Board [Decision B.27/08]. This will allow the IEU to manage the SPR as a part of the its core function, and draw from the diverse expertise available within the team. It will also allow the IEU to operate within the staffing schedule, as indicated in the IEU's Annual Work Plan and Budget for 2021 (Decision B.27/08 Annex VII, Table 5). The SPR is part of IEU's core function and IEU personnel will continue to contribute to the SPR in accordance with the IEU annual workplans. Finally, this allows the IEU to build capacity and modularity, leaving the IEU able to deal with catastrophic challenges such as a pandemic, and routine events such as staff attrition and turn-over.
 - (b) **Travel:** During the implementation of the review, IEU staff and HQ-based consultants will undertake more than 12 country visits with consultancy firms for validation work and for staff to participate in multiple workshops. This travel budget will only be used for travel expenses incurred for undertaking the review. The use of this travel budget will be subject to the developing global situation in the context of Covid-19.
 - (c) **Professional services:** The IEU will be supported by consultant firms and experts that will provide thematic and technical support for undertaking the review. Any travel costs for experts are included in this budget line. More specifically, the external experts will support the IEU with the following:
 - (i) Synthesis of IEU evaluations, GCF documents, and other evidence
 - (ii) Development of the approach to the second performance review, including engagement with the GCF Board, Secretariat, AEs and other stakeholders in- and outside of the GCF ecosystem
 - (iii) Scenario modelling for the GCF, considering climate data, GCF investments, and results
 - (iv) Overall data collection
 - (v) Data analysis and writing
 - (vi) Communication of the SPR

The IEU will especially seek external teams with expertise in the following areas: synthesis, critical appraisal, modelling, econometric, implementation science, qualitative research, climate finance, climate science, strategy, institutions, and policy. This budget will allow the IEU to engage with world class experts on a temporary basis, and ensure that the SPR is informed by cutting edge expertise. This is distinct from HQ-based consultants, who may primarily provide administrative or analytical support to the process.

It is worth noting that while the report will be co-written and co-owned with select external experts, the IEU will provide overall leadership, intellectual direction, and institutional architecture. The IEU will continue to take the lead on the overall evaluation and will be responsible for the report to the Board.

- (d) **Other operating costs:** Other operating costs include the costs to hold 2-4 workshops related to the review. This budget will be further used for knowledge sharing, other communications, translation, socialization, publications related to the review such as web-based surveys, videos, publications, and communication products are included in this budget line.
3. The budget will be utilized during 2021-2022. IEU's forward looking performance review was budgeted for USD 847,400. The proportion is similar across budget lines.

Table 1: Budget for Second Performance Review*

Total budget	1,315,000
Full-time Staff and consultants	[Included in core budget of the IEU]
Travel	325,000
Professional Services	960,000
Other Operating Costs	30,000

* The multi-year budget will be utilized for the performance review during 2021-2022.