

Annex VI: IEU's annual work plan and budget for 2025

Annex VI is organized as follows:

- (a) Section I presents the IEU's 2025 work plan.
- (b) Section II presents the budget for the IEU for 2025.

I. Section I: IEU's 2025 work plan

This section discusses the IEU's work plan for 2025. All activities are consistent with the IEU's approved three-year rolling objectives (annex IV).

1.1 Strategic objectives of the IEU

1. The IEU provides objective assessments of the performance and results of the GCF, including its funded activities and their effectiveness and efficiency. Among other things, the IEU undertakes independent evaluations, is responsible for developing and updating the Evaluation Policy of the Fund, attests to the quality of the Fund's self-evaluations, and supports the strengthening of the evaluation capacities of implementing entities. To fulfil its mandate, the IEU structures its annual work plan around four strategic objectives:

2. **Objective I. Undertake and deliver high-quality evaluations to the Board of the GCF:** The IEU undertakes high-quality evaluations of the GCF's performance, portfolio, country portfolio, and project-based and programmatic approaches, in line with the Unit's Board-approved annual workplan. Through trusted evidence, these evaluations aim to inform and support the decision making of the GCF Board and disseminate lessons learnt to a variety of stakeholders for accountability and learning.

3. **Objective II. Build and deliver an evaluation-based learning, advisory and capacity strengthening programme:** The IEU supports the strengthening of implementing entities' evaluation capacities to facilitate their own evaluations of GCF-funded activities, projects and programmes. The IEU's evaluation-based learning and capacity building efforts respond to the evaluation needs of the Board and the Secretariat of the GCF, accredited entities (AEs), national designated authorities (NDAs) and other stakeholders in the evaluation and climate change space.

4. **Objective III. Engage strategically to learn, share and adopt best practices in the climate change evaluation space:** The IEU ensures that the high-quality evidence, evaluation findings and recommendations from its independent evaluations are effectively and strategically communicated, used and incorporated into the GCF's operations, processes and policies. The IEU collaborates with GCF stakeholders, partner and other organizations. The Unit engages them in the IEU's activities to ensure it stays at the frontier of evaluation theory and practice, and that it benefits from relevant initiatives undertaken by other evaluation offices/units. The IEU builds and strengthens partnerships to leverage the partner organizations' geographic presence, thematic expertise and capacities in support of the IEU's other objectives. For this, the participation in both evaluation and climate finance networks is key.

5. **Objective IV. Strengthen IEU and its positioning:** The IEU ensures it is functioning effectively by sharing its vision and practices internally and externally, and clearly articulating

its Evaluation Policy (GCF/B.35/Inf.02) and procedures. The IEU's staff are to reflect the best standards in evaluative training, practice, theory and ethics.

1.2 IEU's 2025 work plan

1.2.2. **IEU objective I: Undertake and deliver high-quality evaluations to the Board of the GCF**

6. Aligning with its three-year rolling objectives, the IEU will undertake the following evaluations in 2025 in a phased manner for the Board's consideration. The purpose of these evaluations will be to support the Board by providing it with credible evaluation evidence on the performance of the Fund and to serve the functions of accountability, learning and dialogue. The 2025 evaluations include: (i) the synthesis note informing a prospective independent evaluation of the GCF's approach to gender; (ii) independent evaluation of the GCF's approach to and portfolio of early warning systems interventions; (iii) independent evaluation of the GCF's approach to country ownership; and lastly; (iv) independent evaluation of the GCF's Simplified Approval Process. The IEU is also expected to continue to support impact evaluations of GCF funded activities under the IEU's LORTA programme. The IEU will deliver these evaluations sequentially to the Board through 2025 and 2026.

7. **Synthesis note informing a prospective independent evaluation of the GCF's approach to gender:** Gender mainstreaming is central to the GCF's objectives and principles, including through engaging women as stakeholders in the design, development and implementation of funded activities and strategies. As per paragraph 3 of the Governing Instrument for the GCF, *the Fund will strive to maximise the impact of its funding for adaptation and mitigation ... promoting environmental, social, economic and development co-benefits and taking a gender-sensitive approach.* With the adoption of the Gender Policy and Action Plan in March 2015 (GCF/B.09/10), the GCF has shown that its rationale is rooted in its mandate to encourage a paradigm shift towards low-emission and climate-resilient development pathways. Gender-responsive approaches are essential to this, including decisions and climate actions by women and men. The IEU will undertake preparatory work on synthesizing the existing evaluative evidence generated from past independent evaluations, assessments, reviews and studies. This formative synthesis will also inform the future independent evaluation of the GCF's approach to gender, subject to approval by the Board. The synthesis note will be made available in time for the last Board meeting in 2025 and the evaluation will be made available in time for the third Board meeting in 2026.

8. **Independent evaluation of the GCF's approach to and portfolio of climate information and early warning system interventions:** Based on the current GCF project portfolio, the GCF has invested close to USD 1 billion (USD 933 million) in early warning interventions through its partnership with implementing entities. In particular, such a project specific approach towards early warning systems is instrumental in the fight against climate change effects in the least developed countries (LDCs) and the small island developing States (SIDS). Here, GCF-funded projects (42 in LDCs and 35 in SIDS) of various sizes and structures can be seen as an effort to mobilize resources, forge partnerships and harness innovation to ensure that every person on Earth is protected by early warning systems within 5 years, supporting the vision of the UN Secretary-General's Early Warnings for All Initiative launched in 2022. In addressing urgent and immediate adaptation and resilience needs, for particular vulnerable countries, the GCF set out a new programming priority to help countries deal with urgent climate threats, including by expanding coverage of climate information and early warning systems, and supporting integrated risk management approaches. This evaluation will

assess this cluster of GCF-funded activities, and the GCF's relevance and effectiveness in providing climate information and early warning system interventions to mitigate and respond to urgent climate threats. It will also examine the progress of the GCF in seeking to help countries deal with climate urgency and the risk of climate disasters. The evaluation aims to provide a comprehensive understanding of the realized and potential impacts of GCF-funded activities, in response to the GCF's USP Targeted Result #3: Climate Information and Early Warning Systems (CIEWS) – 50 to 60 developing countries particularly vulnerable to the adverse effects of climate change protected by new or improved early warning systems. The evaluation report will be submitted to the Board in time for the first Board meeting of 2026.

9. **Independent evaluation of the GCF's approach to country ownership:** Country ownership is a core principle for the GCF. The principle of country ownership is reflected in the Governing Instrument and various Board decisions. As per paragraph 3 of the Governing Instrument, *the Fund will pursue a country-driven approach and promote and strengthen engagement at the country level through effective involvement of relevant institutions and stakeholders.* The Board recognized the importance of enhancing country ownership, country drivenness and the role that NDAs/focal points can play in this regard (decision B.10/10). As explained in the Guidelines for Enhanced Country Ownership and Country Drivenness (document GCF.B.17/14), decision B.04/05 reaffirms the centrality of country ownership and of the country driven approach to the Fund, establishing the functions of the NDAs/focal points accordingly. The GCF's Strategic Plan 2024–2027 also recognizes the importance of modalities, actions and partnerships for the delivery of programming priorities and targeted results. In particular, the GCF has placed emphasis on the Readiness and Preparatory Support Programme to evolve a more dynamic and inclusive approach to country ownership, and through the updated country ownership guidelines to clarify the GCF's role, articulate what country ownership means, and strengthen meaningful country engagement. This evaluation will assess the Fund's approach to and success in providing and ensuring country ownership. This evaluation will build on the IEU's Independent assessment of the Country Ownership Approach in 2019 and synthesize evaluative evidence gathered since then. The IEU will additionally examine the extent to which country needs and country ownership have been incorporated in both the design and implementation of the Fund's policies, practices and operations. The evaluation report will be submitted to the Board in time for the last Board meeting of 2025.

10. **Independent evaluation of the GCF's Simplified Approval Process:** The Simplified Approval Process (SAP) seeks to provide easier and simpler access to the GCF. But is the SAP truly simplified? Does it provide easy access? Is it well suited to the needs of countries and to the size and depth of change that it seeks to bring about? This evaluation aims to assess the relevance, effectiveness and impact of the SAP, as a modality, including its contributions to the Fund as a whole. Building on the IEU independent assessment of the GCF's SAP Pilot Scheme in 2020, it will evaluate the value added by the updated SAP in providing simplified access to the Fund. The evaluation report will be submitted to the Board in time for the forty-second meeting of the Board (B.42) in 2025.

11. **Third Performance Review of the Green Climate Fund:** In 2025, the IEU will also launch the Third Performance Review of the GCF. The IEU has been mandated to undertake periodic performance assessment of the Fund's performance, in order to provide an objective assessment of the Fund's results and the effectiveness and efficiency of its activities as per paragraph 59 of the Governing Instrument and as per paragraph 3(c) of the Updated terms of reference of the Independent Evaluation Unit. The IEU delivered the First Performance Review in 2019, and the Second Performance Review in 2023, respectively covering the initial resource mobilization period and the GCF-1 period. In 2025, the IEU will initiate the Third Performance Review (TPR) to independently assess GCF's performance during GCF-2 and to inform the third

replenishment. The performance review will assess GCF's progress in delivering its mandate as set out in the Governing Instrument. The performance review will be informed by a synthesis of previous IEU evaluations and global evidence reviews. Subject to budget approval at the last GCF Board meeting in 2024, the IEU will commence the preparation of the review in 2024, followed by the inception period in 2025. A detailed multi-year budget and schedule for the TPR of the GCF is presented in appendix I. The TPR will be completed by the end of 2026, to align with the planning of the GCF-3 programme and replenishment period. The report of the TPR will be submitted in time for the first Board meeting of 2027. The scope of the TPR has been reduced in order to align with the Board's guidance on the reduction of the IEU budget for 2025, 2026 and 2027. The scope will be done in consultation with the Risk Management Committee and will be described in the final approach paper at the end of the inception period .

12. **Impact evaluations:** The IEU provides advisory services and capacity building in respect to independent impact measurement, design, and implementation of impact evaluations. Currently, IEU's Learning-Oriented Real-Time Impact Assessment programme supports and executes impact evaluations of selected GCF-funded activities and projects. The IEU currently supports the preparation of 26 GCF projects, 14 projects managed by international accredited entities (IAEs) and 12 by direct access entities (DAEs) (as of 1 September 2024), through impact evaluation designs, impact data collection and real-time measurement systems. In 2025, the IEU will onboard new GCF-funded projects. In selecting partners and projects, the IEU closely monitors diversification in types of interventions, themes, geographic locations and implementation partners, as well as the evaluability of projects. The scope of the programme will be streamlined, in line with the Board's guidance, to maximize efficiency and avoid duplication with Secretariat work.

13. **Management action reports:** In alignment with the GCF Evaluation Policy and the Updated terms of reference of the IEU, the Board will also review management action reports prepared by the IEU, which will provide assessments of the progress in the implementation of IEU recommendations. In 2025, the IEU will share management action reports based on the Independent Evaluation of the Green Climate Fund's Investment Framework in time for B.42. Also, the IEU will share a management action report on the Independent Evaluation of the Green Climate Fund's Approach to and Protection of Whistleblowers and Witnesses one year after the Board decision on the evaluation. With the management action reports the IEU speaks directly to the three functions of evaluation at the GCF – accountability, learning and dialogue. The IEU will continue to improve the delivery of these reports to support the learning and knowledge management function of the GCF in general and the Board in particular. The IEU may further develop the independent tracking of the recommendations of IEU-led evaluations.

1.2.3. **IEU objective II. Build and deliver an evaluation-based learning, advisory and capacity strengthening programme**

14. **Syntheses, evidence reviews and learning papers:** The IEU consolidates and summarizes existing global evidence on climate-related topics that are relevant to the GCF. Evidence reviews are based on a structured literature search, appraise the quality of evidence and illustrate the evidence gaps and base in a comprehensive manner. The IEU has completed 10 evidence reviews to date on forestry conservation interventions, climate change adaptation, private sector instruments in mitigation, results-based payments, transformational change, women's empowerment, behavioral science, market-based mechanisms, just transitions and the water sector. Evidence review methodology can be applied to a multitude of questions to offer an understanding of problems facing vulnerable communities around the world, and provide greater direction for developing evidence-informed solutions. The broader application of

evidence reviews and syntheses allows for better utilization of the existing evidence base and can support the development of more evidence-informed policies. Alongside global evidence reviews, the IEU also produces syntheses and learning papers to communicate lessons from evaluations and learnings from the climate space. In 2025, the IEU is set to complete the update of the evidence gap map and review of forest conservation, which was started in 2024 and will be completed within the first half of 2025. As part of the envisaged evaluation on the Independent Evaluation of the GCF's approach to the private sector, the IEU plans to conduct an evidence review on private sector engagement in climate finance. The IEU will also prepare synthesis notes to provide a summary of evaluative evidence on particular topics across all IEU evaluations and other related work. The IEU plans to prepare a synthesis note on Monitoring, Evaluation and Learning which would provide a summary of evaluative evidence collected since 2018. The IEU may prepare other synthesis notes to synthesize and disseminate lessons learnt alongside, to inform the decision-making of the Board.

15. **Learning talks:** The IEU will continue to organize monthly talks to improve learning and feedback loops within the GCF, supporting the knowledge management function of the GCF. These talks will be organized to contribute evaluative evidence to ongoing programming and policy debates within the GCF and the wider climate finance landscape. The learning talks have become a tool for knowledge sharing within the GCF and among its stakeholders, and continue to enable the sharing and management of knowledge while facilitating learning from the experiences of other organizations.

16. **Advisory:** Through continued implementation of the IEU's LORTA programme, the IEU will provide advice to support impact evaluation designs, indicators, baseline data collection and analyses for credible and robust impact evaluations of GCF-funded activities. The IEU has routinely hosted several capacity-building workshops for the measurement of GCF impacts and will continue to do so in 2025. The workshops have taken the form of customized trainings for AEs and GCF programming staff, with global experts. The IEU will continue to develop innovative methods and papers to advance the frontiers of measurement of impact. In addition to workshops on the design and implementation of impact measurement and assessment, the IEU will also provide learning seminars and workshops for partners, AEs and the Secretariat to disseminate lessons learnt from LORTA projects. To maximize cost efficiency, the IEU will continue to focus on the development of online training modules that can be used to support capacity building while increasingly providing more on-site support.

17. Since 2018, the IEU has undertaken periodic evaluability assessments of GCF's Funding Proposals and their ability to credibly measure impact. The evaluability assessment is based on a set of criteria, including but not limited to theory of change, causal pathways, potential for measurement of causal change, implementation fidelity and performance against investment criteria, data collection and reporting credibility, and monitoring and evaluation (M&E) plan and budget. The evaluability assessment, including a spotlight analysis for the dissemination portfolio results, provides a comprehensive understanding of quality at entry and current evaluation capacities, and thus, builds the basis for our advisory work. The finalization of the third version of the evaluability assessment had to be delayed in 2024 due to capacity constraints. The evaluability study will be finalized by the end of the first quarter of 2025. The fourth version of the evaluability study will be finalized by the end of the third quarter of 2025.

18. **Evaluation capacity building:** In line with the GCF Evaluation Policy, the IEU has developed a series of evaluation trainings for AEs and country partners, operationalizing its mandate in capacity building. And with it, the Unit has also commenced dedicated capacity building workshops, both virtual and in-person, based on a diagnostic assessment completed in 2023 of the existing evaluation capacities of AEs. For its capacity building efforts, the IEU

follows a three-point approach: a) a comprehensive assessment of evaluation capacity needs; b) an onboarding segment into the GCF evaluation eco-system, including the evaluation policy, standards and guidelines, in collaboration with the Secretariat; and lastly c) a comprehensive training of putting evaluation theory into practice by the means of evaluation methods and tools. In particular, the IEU continues to undertake a tailored approach to building the capacities of DAEs.

19. Based on the IEU's capacity needs assessment, the IEU further tailors the training segments for a more focused capacity building effort in a particular country context. These training segments will cover practices and topics ranging from evaluation data collection methods, evaluation approaches, qualitative and quantitative data analysis and reporting, quality control of evaluation products, communication and dissemination planning, and budgeting for evaluations. To provide continuity and sustainability, the IEU will develop a multi-year action plan for evaluation capacity building at the AE and country level. Such an action plan will support the organizing of annual capacity building components for evaluations. Amongst other things, the IEU will organize round-tables with external experts on topics of self-evaluations and independent evaluations in the GCF, with the purpose of leapfrogging from the lessons learnt of other organizations. With this, the Unit will also support the knowledge management function. Considering a lean and cost-effective operation, the IEU will also coordinate with the GCF Secretariat to present these capacity building components alongside the Secretariat-led Structured Dialogues of the GCF.

20. The IEU will share the learnings and insights from the capacity building efforts, LORTA progress, GCF evaluation policy, and GCF evaluation standards. This dissemination will occur through various platforms, such as GCF's Regional and Structural Dialogues, external events, and international network conferences.

21. **Quality assurance:** Following the compliance risk policy and the administrative guidelines on internal control, the IEU will perform its function of acting as the third line of defence in ensuring effective internal control of the Fund. In fulfilling its mandate of quality assurance through evaluations, in 2024 the IEU has built an approach for the quality assurance of AE-led evaluations of GCF-funded activities. This approach aims to assess the quality of the interim and final evaluation reports of GCF projects based on the Evaluation Policy and the evaluation standards of the GCF. The IEU will finalize its first quality assurance report by the second quarter of 2025.

1.2.4. **IEU objective III. Engage strategically to learn, share and adopt best practices in the climate change evaluation space**

22. The IEU ensures that the high-quality evidence, findings and recommendations from the Unit's independent evaluations are effectively communicated, disseminated, used and incorporated into the GCF's functioning and processes. For this, the IEU focuses on core processes: publications, design, editing and translations; website and social media management; outreach and event management; and strategic engagement with GCF stakeholders and partner organizations.

23. In 2025, the IEU will further strengthen its strategic outreach and targeted knowledge management, dissemination and uptake practices. With the IEU's role as an evidence and knowledge broker, firstly, the IEU will continue to produce new content formats for more effective Board engagement and reporting. The IEU will synthesize and disseminate lessons learned across past evaluations through Board side events and other engagements with the GCF Board and the wider GCF ecosystem. The Unit will continue to produce periodic e-newsletters

(What’s New with the IEU?), the IEU’s activity reports and the annual report. Secondly, the IEU will strengthen efforts to increase the uptake of its evaluations and encourage learning within the GCF ecosystem and in the international space. Thirdly, the IEU will strengthen its strategic outreach to existing and new partners and networks in the climate science and finance arena.

24. The IEU will continue to contribute to the Global SDG Synthesis Coalition work as a Co-Chair of the “Planet Pillar”, assessing and synthesizing the evidence on the implementation of five sustainable development goals (SDGs), namely: clean water and sanitation; responsible consumption and production; climate action; life below water; and life on land. The SDG syntheses are expected to be completed in 2025, and IEU will partake in all activities aimed at socializing, disseminating and distributing key learnings from these syntheses.

1.2.5. IEU Objective IV. Strengthen IEU and its positioning

25. **Complete staffing:** In 2025, the IEU will undertake evaluations, capacity building, advisory services, learning work. The IEU is expected to have 24 staff members of varied experience and expertise in 2025, aiming to gradually complete its staffing of 26 staff by 2027, in accordance with the three-year rolling objectives as noted previously by the Board. As per the IEU’s Activity Report for B.39, in 2024, the IEU is particularly proud to communicate that it would complete 10 hiring processes including replacement due to turnover of staff members by the end of 2024. The current staff strength is 18 full-time international and administrative staff at the end of August 2024. The 2025 workplan is based on the assumption that the remainder of the positions are filled in the first quarter of 2025. The IEU is on track to stabilize the team’s strength, as anticipated in the three-year rolling objectives.

Table 1. Staff headcount and staffing schedule of the IEU (2023–2025)

	2023	2024	2025
Planned staff as per work plan	22	23	24
Actual staff	17	22	-
Hiring processes (including replacements due to staff turnover)	3 (1)	10 (5)	2 (-)

26. Following this trajectory and transition, the IEU will be supported by short-term remote roster consultants and a drastically reduced number of HQ-based consultants. Short-term and remote roster consultants provide specialized ad hoc services, such as translations, editing and formatting, amongst other services based on their cost-effectiveness. On the other hand, a limited number of HQ-based consultants are required to support the IEU’s data-related and synthesis-related needs of evaluation and learning work until the staffing is completed. In 2025, the IEU will have two HQ-based consultants and four interns.

27. In detail, the IEU holds lists of roster consultants who provide ad-hoc services such as editing, formatting and translation on a needs basis. The IEU will continue to actively disseminate evidence and findings from evaluations in different languages, particularly in Arabic, French, and Spanish. These roster consultants provide the necessary support to the Unit, in the best cost-effective manner.

28. **Reduce individual consultants and professional services:** As the IEU staffing reaches maturity, IEU will gradually internalize evaluations. The IEU has already reduced the individual consultant budget for 2024 by 22 per cent compared to the previous year. In continuation of

these efforts, the IEU will gradually reduce HQ-based individual consultants, with the goal to phase out these positions completely by 2027. The IEU will continue to engage rosters of remote consultants based on their cost-effectiveness only for specialized ad hoc services, such as translations, editing and formatting, amongst other services. The proposed budget for professional services also will be reduced by -32.4 per cent by 2027 compared to the 2024 approved budget.

29. **Professional development of staff and staff travel:** The IEU staff will be expected to attend international evaluation meetings where proposed presentations have been accepted. Members of the IEU will participate in panels and presentations at international meetings and conferences. This is important for the intellectual growth of the team and the dissemination of lessons learned at the GCF in general and the IEU in particular. This will also allow the team to learn, inform and be informed by global developments in the climate and evaluation space, and interact and provide services to its key partners, including independent evaluation offices of AEs and United Nations Evaluation Group (UNEG) members. IEU staff are also expected to travel in the context of the evaluations the IEU undertakes. Additionally, IEU members will be expected to attend Board meetings which may be held outside of Songdo in 2025.

30. **Team culture:** The staff of the IEU is subject to the Code of Conduct of Staff, as stated in the Updated terms of reference of the IEU. The IEU will also follow the GCF guidelines, including those on procurement, HR, and grievance. The IEU has been careful to continue to support its team members in the development of a culture that supports personal growth and provides a positive work environment. Following from discussions since 2022, the IEU has built on continuation of retreats, team wellbeing and team building exercises, aligning with the GCF Secretariat's Updated Peoples Plan. Just as in 2024, workshops on workplans and team culture will also be undertaken in 2025. Team building and team communication retreats will be supported by facilitators. Also, as stated in the three-year rolling objectives, the IEU is building internal modularity and capacity to deal with changing environments and staff turnover.

31. **Peer-review:** The IEU became a member of UNEG in January 2022. One of the main mechanisms through which UNEG members undertake improvement of their respective evaluation functions is through an external peer review undertaken and overseen by an external panel of experts. The peer review will aim to comprehensively and independently review the evaluation function of the GCF. This is the first peer review of the evaluation function of the GCF since its establishment. It is expected to provide the IEU with inputs to make the Unit, its operations, evaluations, and methodology more robust and rigorous. A strengthened IEU will positively contribute to the results and learning architecture of the GCF. In 2024, the IEU launched the peer review of the evaluation function, with a self-evaluation as an initial step. The review was delayed in its preparation due to capacity constraints. The peer review will conclude in 2025, after the completion of a second step, a review by peers of the evaluation space. This peer review will also allow the Head to review and adjust the vision, structure and operations of the IEU as part of the evaluation function of the GCF.

32. **IEU data systems:** The IEU has provided qualitative and quantitative evidence for the IEU's evaluations as well as learning products. To ensure a holistic approach to evaluation, evaluative evidence relies on sources beyond the GCF-wide data system, and the IEU will continue strengthening in-house capacity in data collection, management and data analysis to provide robust evidence for high-quality evaluations. Main tasks for 2025 and beyond include maintaining real-time access to an interactive analytical dashboard, adapting to the organizational change in business intelligence (transition from Tableau to PowerBI), updating the IEU data repository and expanding the technical focus of the data team.

II. Section II: IEU's Budget for 2025

2.1 2024 budget execution

33. The IEU's forecast budget expenditure by the end of the year is expected to be USD 6.74 million, reaching 87.1 per cent against the approved 2024 annual budget of USD 7.73 million. The actual expenditure as of July 2024 is USD 3.08 million, and the budget is to be utilized as per the IEU workplan for the rest of the year. For instance, the IEU has already committed funds under contract with vendors (68 per cent of the professional services budget), and the consultants' and travel costs will be spent as planned. Due to the hiring delays, the execution rate of full-time staff is expected to be relatively modest at 77.7 per cent. Committed funds are usually disbursed midway or after completing defined milestones. Such expenditures are expected to take place later in the fiscal year.

Table 2. IEU's budget and spend for 2024 in United States dollars (USD) (as of 31 July 2024)

Items	2024 budget (a)	Actual spent (b)	Anticipated expenditure till the end of 2024 ('c)	Total forecasted expenditure of 2024 (d)=(b)+('c)	% (d) as a percentage of (a)
Staff costs (1)	4,943,403	2,158,748	1,852,233	4,010,981	81.1%
Full-time staff*	4,556,289	1,952,125	1,586,454	3,538,579	77.7%
Consultants and interns	387,114	206,623	265,779	472,402	122.0%
Travel (2)	307,832	115,518	226,239	341,757	111.0%
General	307,832	115,518	226,239	341,757	111.0%
Professional services (3)	1,728,500	374,314	1,257,134	1,631,448	94.4%
Legal and professional services	1,687,000	353,810	1,224,634	1,578,444	93.6%
Operating costs	41,500	20,504	32,500	53,004	127.7%
Sub-total (IEU) (4=1+2+3)	6,979,735	2,648,580	3,335,606	5,984,186	85.7%
Shared cost allocation (5)	755,169	440,510	314,659	755,169	100.0%
Grand total (6=4+5)	7,734,904	3,089,090	3,650,265	6,739,355	87.1%

Note: *2024 Full-time staff includes an allocation of USD 132,131 for the salary scale adjustments allocated using planned staff numbers.

**Anticipated expenditure is made up of committed and pipeline amounts.

2.2 2025 budget proposition

34. The IEU's overall budget for 2025 is presented in table 3. The budget consists of three parts: i) IEU's administrative budget; ii) shared cost to Secretariat; and iii) TPR.

35. **IEU administrative budget:** The IEU administrative budget in 2025 will decrease by – 5.4 per cent over the 2024 approved budget. Despite the GCF's growing portfolio and IEU's proportionately growing work, the administrative budget will be decreased by reducing its budget for individual consultants and professional services as the IEU's staff capacity matures.

36. The IEU has made significant progress in its recruitment processes in 2024 (table 1), and the staff budget will increase by 3.7 percent with the hiring process of 7 staff completed as of August 2024. They include two Principal Evaluation Officers, one Impact Evaluation Officer, three Evaluation Data Associates and one researcher. The IEU should complete 10 hiring processes including replacement due to turnover of staff members by the end of 2024.

37. As the IEU's staff capacity matures, the IEU has taken measures to internalize capacities and reduce the volume and areas of engagement by individual consultants and professional services. Professional services will be reduced by -42.1 per cent over the 2024 approved budget by internalizing part of the synthesis and evaluation works. The IEU has already reduced the individual consultant budget for 2024 by -22 per cent compared to the previous year. In continuation of these efforts, the IEU aims to reduce -9.4 per cent of individual consultants' costs over the 2024 approved budget. This considers reducing HQ-based consultants and maintaining remote rostered consultants. The IEU will continue to engage rosters of remote consultants based on their cost-effectiveness only for specialized areas of expertise and ad hoc services, such as translations, editing and formatting, amongst other services.

38. The IEU will use travel strategically to achieve its objectives. Travel will support only key objectives like evaluations, capacity building and advisory for AEs, and NDAs, and some strategic engagement for dissemination and learning. The IEU's travel budget will stay the same as the 2024 approved budget. Considering that, the IEU is exploring cost-effective capacity-building strategies, including the increasing use of providing online training. IEU will continue to use methods of cost-effectiveness, like combining evaluation travel with GCF events like structured dialogues.

39. **Shared cost allocation to the Secretariat** will increase by 5.6 per cent over 2025. This reflects the increased number of full-time staff and decreased number of individual consultants. Seven new staff joined the IEU as of August 2024 and three ongoing hires are expected to be concluded by the end of 2024. The IEU will be expected to pay third-party costs related to information and communications technology (ICT), utilities and supplies, insurance, depreciation, and security. It is anticipated that the IEU and the Secretariat will continue to arrange a service agreement to reflect the costs and services provided to the IEU in the longer term. Based on the feedback from the Secretariat and other Independent Units, the ICT chargeback may not cover the special needs of the IEU. The IEU expects some licenses to be covered by the IEU's budget, particularly other operational costs. These may include statistical, interview and survey software and registration to a more extensive literature repository.

40. **Third Performance Review:** The TPR work plan and budget (appendix I) is presented with the 2025 IEU work plan, in accordance with the principle of multi-annual rolling budgets by the Administrative Budget and Accounting Framework (GCF/B.38/11). The budget to conduct the TPR is USD 1,122,000, which is allocated annually based on the activities and deliverables, with the concentration in the first and second year, and decreasing in the last year.

In 2025, the approach paper and progress report will be delivered, and data collection will be initiated. The TPR budget for 2025 is USD 472,000.

Table 3. IEU's proposed budget for 2025 in United States dollars (USD)

	A	B	C	D = C-B	E = D ÷ B	F = (C-A) ÷ A
	2024 approved budget ^a	2024 forecast	2025 proposed budget	\$ change over forecast	% change over forecast	% change over 2024 approved budget
Full-time staff	4,556,289	3,538,579	4,725,149	1,186,570	33.5%	3.7%
Consultants and interns	387,114	472,402	350,728	(121,674)	-25.8%	-9.4%
Travel	307,832	341,757	308,576	(33,181)	-9.7%	0.2%
Contractual services	1,687,000	1,578,444	977,000	(601,444)	-38.1%	-42.1%
Other operating costs	41,500	53,004	41,500	(11,504)	-21.7%	0.0%
Sub-total (A)	6,979,735	5,984,186	6,402,953	418,767	7.0%	-8.3%
Shared cost allocation (B)	755,169	755,169	797,086	41,917	5.6%	5.6%
Third Performance Review (C)	-	-	472,000	472,000	-	-
Grand total (A+B+C)	7,734,904	6,739,355	7,672,039	932,684	13.8%	-0.8%

Note: ^a Includes USD 132,131 being the IEU's share of USD 1,907,973 approved by decision B.34/20 for adjustment of the GCF salary scales.

Table 4. Secretariat cost paid by IEU in 2025 (Secretariat cost allocation, in USD)

Description	Annual cost charged to the IEU
ICT	510,552
Utilities and supplies	38,064
Depreciation – leasehold improvements and office furniture and equipment	60,394
Security	20,717
Directors and officers insurance/kidnapping, ransom and extortion insurance	6,997
HR and procurement - partial staffing	160,364
Total cost	797,086

2.3 IEU's provisional budget for 2026–2027

41. The IEU's provisional budget for 2026 and 2027 is presented in Table 5. This provisional budget is subject to revision and approval by the Board when the Work Plan and Budget for the relevant year are approved.

42. **IEU administrative budget:** The IEU continues to conduct activities that include three independent evaluations per year and the TPR, in addition to strengthening its role as custodian of evaluation policy and capacity building for evaluations. Nevertheless, the IEU administrative budget for 2026 and 2027 is projected to moderately increase with a 4.0 per cent and 2.7 per cent annual increase rate respectively. This can be attributed to the IEU's active restructuring to absorb work from full-time staff members. As IEU staffing matures, individual consultants and professional services budgets will be reduced by -11.6 per cent and -10.3 per cent, respectively, in terms of the 3-year compound annual growth rate from 2024 to 2027.

43. The IEU will use travel strategically to achieve its objectives. Travel will support only key objectives like evaluations, capacity building and advisory for AEs and NDAs, and some strategic engagement for dissemination and learning. The IEU's travel budget suggests no change (0%) in terms of the 3 year compound annual growth rate from 2024 to 2027. Considering that, the IEU is exploring cost-effective capacity-building strategies, including the increasing use of providing online training and combining evaluation travel with GCF events like structured dialogues. IEU will continue to use methods of cost-effectiveness while aligning with the GCF-wide approach to travel.

44. **Share cost allocation to the Secretariat suggests** -3 per cent and -7.1 per cent decrease in 2026 and 2027, respectively. This reflects the IEU's total headcount, which includes full-time employees and HQ-based individual consultants. While full-time staff will increase by two between 2025 and 2027, HQ-based individual consultants will be completely phased out.

45. **Third Performance Review:** The TPR will be completed by the end of 2026, to align with the planning of the GCF-3 programme and replenishment period. The final evaluation report will be submitted to the Board in time for the first Board meeting in 2027. The TPR budget for 2026 is USD 415,000 and for 2027 is USD 235,000.

Table 5. The IEU's proposed budget for 2025 and provisional budget for 2026 and 2027 in United States dollars (USD)

Budget (\$)	2024 Approved Budget a	2024 Forecast	2025 Requested	2026 Requested	2027 Requested	\$ YoY-'25 (vs. forecast)	% YoY-'25 (vs. forecast)	\$ YoY-'26	% YoY-'26	\$ YoY-'27	% YoY-'27	3 years CAGR %
Full-time staff	4,556,289	3,538,579	4,725,149	4,792,711	4,983,932	1,186,570	33.5%	67,562	1.4%	191,221	4.0%	12.1%
Consultants and interns	387,114	472,402	350,728	349,470	326,244	-121,674	-25.8%	-1,258	-0.4%	-23,226	-6.6%	-11.6%
Staff, consultants, interns	4,943,403	4,010,981	5,075,877	5,142,181	5,310,176	1,064,896	26.5%	66,304	1.3%	167,995	3.3%	9.8%
Travel	307,832	341,757	308,576	311,941	341,572	-33,181	-9.7%	3,365	1.1%	29,631	9.5%	0.0%
Travel expenses	307,832	341,757	308,576	311,941	341,572	-33,181	-9.7%	3,365	1.1%	29,631	9.5%	0.0%
Professional services	1,687,000	1,578,444	977,000	1,161,000	1,141,000	-601,444	-38.1%	184,000	18.8%	-20,000	-1.7%	-10.3%
Other operating costs	41,500	53,004	41,500	41,500	41,500	-11,504	-21.7%	0	0.0%	0	0.0%	-7.8%
Contractual services	1,728,500	1,631,448	1,018,500	1,202,500	1,182,500	-612,948	-37.6%	184,000	18.1%	-20,000	-1.7%	-10.2%
IEU administrative budget (A)	6,979,735	5,984,186	6,402,953	6,656,622	6,834,248	418,767	7.0%	253,669	4.0%	177,626	2.7%	4.5%
ICT, utilities, security, insurance, HR/procurement partial staffing	755,169	755,169	797,086	773,445	718,544	41,917	5.6%	-23,641	-3.0%	-54,901	-7.1%	-1.6%
Shared cost allocation (B)	755,169	755,169	797,086	773,445	718,544	41,917	5.6%	-23,641	-3.0%	-54,901	-7.1%	-1.6%
Professional services	-	-	382,000	330,000	183,000	382,000		-52,000	-13.6%	-147,000	-44.5%	-30.8%
Travel	-	-	80,000	80,000	37,000	80,000		0	0.0%	-43,000	-53.8%	-32.0%
Other operating costs	-	-	10,000	5,000	15,000	10,000		-5,000	-50.0%	10,000	200.0%	14.5%
Third Performance Review (C)	-	-	472,000	415,000	235,000	472,000	-	-57,000	-12.1%	-180,000	-43.4%	-29.4%
Total (D=A+B+C)	7,734,904	6,739,355	7,672,039	7,845,067	7,787,792	932,684	13.8%	173,028	2.3%	-57,275	-0.7%	4.9%

Note: (a) 2024 full-time staff includes an allocation of USD 132,131 for the salary scale adjustments allocated using planned staff numbers.
YoY = Year over Year; CAGR = Compound Average Growth Rate.

Appendix I: Schedule for the Third Performance Review of the GCF

1. Key events before GCF-3

1. **Replenishment.** The Updated policy for contributions to the Green Climate Fund for the second replenishment, as adopted by the Board in decision B.36/14, paragraph (b), identifies the following with respect to a trigger for the third replenishment process: “GCF will initiate the next replenishment 30 months after the commencement of GCF-2 in order to allow sufficient time for the preparation and consideration of such reports and/or evaluations as may be necessary”. The GCF Strategic Plan 2024–2027 reiterates that the third replenishment starts 30 months after the commencement of GCF-2. Therefore, the replenishment is expected to begin in mid-2026.
2. **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.*” Therefore, the report from the IEU is expected to inform the review of the strategic plan for the post-2027 period.

2. Schedule of the Third Performance Review

3. The schedule of the TPR takes into account the above guidance provided by the Board, including in the Strategic Plan 2024–2027, 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-2026.** Third replenishment will commence, to allow for consideration of evaluations, as may be necessary;
 - (b) **2026–2027.** The Board may review the Strategic Plan ahead of the replenishment and may wish to take into account, inter alia, relevant reports from the IEU.
4. Taking into account the guidance already provided and based on consultations with members of the Board as well as the Secretariat, the IEU has designed the TPR 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 the Board’s discussion and decision, and recruitment of external experts. This phase will run from December 2024 to April 2025.
 - (b) **Inception.** During this phase, the IEU will work with a team of external experts to develop the overall approach for the TPR. The IEU will onboard the external experts and constitute a TPR 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; and extensive consultation with Board members, AEs, civil society organizations (CSOs)/private sector organization (PSOs) and others of the GCF ecosystem to inform the TPR questions. This phase will begin in February 2025 and will continue until October 2025.

- (c) **Data collection/writing.** Data for the TPR will be collected including interviews, 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 March 2025 to October 2026.
- (d) **Communication.** The communication of the TPR will take various formats including reports, presentations, webinars, side events at Board meetings and other GCF meetings, discussions with Board members and others, IEU learning products, etc. The reports will be produced to align with key events in the replenishment and strategic planning for GCF-3, precise schedules for which are expected in due course. The final report will be delivered in 2027, with various outputs planned for 2026–2027. The communication plan for the TPR will take into account the replenishment as well as strategic planning cycles, insofar as the details are available.
5. These phases may overlap in operation and will subsequently inform one another. A visual representation of the schedule is in table 1.

3. Key outputs of the Third Performance Review

6. A number of key outputs are expected from the TPR. These outputs will be produced and shared with the Board and the GCF at large, so that the TPR is able to inform the replenishment as well as the review and any updates 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 TPR.
7. Two kinds of outputs are expected from the TPR. The first relates to procedural reports, without significant substantive review. The second kind of output will include substantive reports, that altogether constitute the TPR.

3.1 Procedural/administrative reports

8. Progress reports. At every Board meeting, IEU activities/annual reports will include an update on the progress made on and the expenses of the TPR.

3.2 Substantive products

9. 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 TPR, including details of the key outputs expected. It will be delivered in the fourth quarter of 2025, subject to Board approval of this schedule and procedural matters.
- (a) **Synthesis 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 2026 and will be designed to provide early inputs from the TPR. This report may include an early and rapid review of progress toward the Strategic Plan's targeted results.
- (b) **Emerging findings.** The performance review will share emerging findings in 2026. The IEU proposes to socialize emerging findings through webinars and side events.

- (c) **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 fourth quarter of 2026/early 2027. This will allow for a factual review by the Secretariat, and for the IEU to take into account the review in its own revisions.
- (d) **Final report.** The final report will be produced for the Board's consideration in time for the first Board meeting of 2027.
- (e) **Communication products.** The IEU will organize several presentations, events, and webinars to disseminate the approach of the review, as well as the emerging findings and recommendations at several stages. These will include:
- 2025: Approach paper of the Third Performance Review;
 - 2026: Reports of country missions;
 - 2026: Emerging findings; and
 - First Board meeting of 2027: Final report, including webinars and submission to the Board, taking into account future Board decisions and timelines of replenishment and review/updates to the Strategic Plan.
10. These key products will be supplemented by various consultations.

4. Budgetary reflections on the Third Performance Review

11. The budget for the TPR is developed across the standardized budget lines. The total budget of the TPR will be utilized in 2025–2027.

4.1 Description of the budget for the Third Performance Review

12. **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 TPR, including engagement with the GCF Board, Secretariat, AEs and other stakeholders, inside and outside of the GCF ecosystem;
 - (iii) Thematic expertise and review, including the questions that emerge as part of the inception for the TPR;
 - (iv) Overall data collection;
 - (v) Data analysis and writing; and
 - (vi) Communication of the TPR.
13. The IEU will especially seek external teams with expertise in the following areas: synthesis, 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 TPR is informed by cutting edge expertise. This is distinct from HQ-based consultants, who may primarily provide administrative or analytical support to the process.

14. 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.

15. **Travel.** During the operationalization of the review, IEU staff 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 undertaken in line with the GCF travel policies and practices.

16. **Other operating costs.** Other operating costs include the costs to hold between two to four workshops related to the review. This budget will be further used for knowledge sharing, while 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.

Table 1. Schedule of the Third Performance Review

	2024					2025												2026												2027			
	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	
Board meetings (expected schedule)			40					41				42			43					44				45			46					47	
Planning																																	
Budget and schedule presented to Board																																	
Recruitment of external team																																	
IEU internal preparation																																	
Inception																																	
Inception consultation with Board members and others																																	
Onboarding of external team																																	
Synthesis																																	
Development of approach paper																																	
Data Collection/ Writing																																	
Consultations/ interviews																																	
With Board members																																	
With Secretariat																																	
External stakeholders																																	
Data collection																																	
Country missions																																	
Literature review																																	
GCF data																																	
External data																																	
Data analysis																																	
Communication																																	
Report writing																																	
Updates to Board with IEU activities report																																	
TPR Outputs (procedural)																																	
Approach paper																																	
Periodic progress reports																																	
TPR Outputs (substantive)																																	
Synthesis report																																	
Final report																																	
Communication products																																	
GCF Third Replenishment																																	