Q1. If the AE doesn't have a structurally independent evaluation office, is it enough to hire a consultancy to develop the interim report? if yes, is it included in the 5% (at least) of the project budget (according to the policy)... right?

Secretariat response: Yes, hiring an independent team of evaluators to undertake the interim and final evaluations is consistent with the Evaluation Policy (please see para. 43, p. 10). The costs for commissioning consultancy for evaluation purposes can be included in the evaluation budget covered by the AE Fee (para. 41, Evaluation Policy), while independent data collection costs can be covered by the project budget (para. 41 and para. 58 (c) – (d)).

Q2. For us as AE will be important to have the link to the new policies and have the contacts in order to start conversation for the capacity building to our working teams in the countries. Could you share the links and contacts?

Secretariat response: Please see the links and contacts below.

Dedicated email address: Evaluation Policy@gcfund.org

GCF Evaluation Policy: Evaluation policy for the GCF | Green Climate Fund

GCF Evaluation Standards: Green Climate Fund Evaluation Standards | Independent Evaluation Unit | Green Climate Fund

Q3:

- 1. What is the timeline for submission of the evaluation's management response and action plan?
- 2. Will the action plan be monitored for implementation by the Secretariat?
- 3. The progress of the action plan is to be reported in the annual reports?

Secretariat response: The mechanics and processes for submitting management response and action plan to the Secretariat will be set out in the GCF Evaluation Operational Guidelines and Procedures (under development). This will include the timeline, monitoring of the action plan and reporting progress against it. A template for the management response and action plan will also be included for Accredited Entities' guidance.

Q4. Impact evaluations are typically more expensive and time consuming to conduct, will the budgetary thresholds be revised in response and has the GCF factored in the implications on project design?

Secretariat response:

Not all projects and results lend themselves to impact evaluations (e.g., randomized control trials, quasi-experimental design, etc.). Thus, the decision to build-in impact evaluations into the funded activity shall be discussed, carefully considered and agreed between the AE and the Secretariat or with the IEU (p.18, Types and Categories of Evaluation, Evaluation Policy). As this is on top of the Monitoring and

Accountability Framework (MAF)- and Evaluation Policy-mandated interim and final evaluations, impact evaluation budget will not be covered by the AE fee. Instead, the impact evaluation will be financially supported by the IEU budget, the project budget or Secretariat budget.

The **Table Types and Categories of Evaluation** (p. 18, Evaluation Policy) states that 'Impact assessment/evaluation - Evaluation that measures the primary and secondary long-term effects of an intervention or group of interventions in a causal way. They are selected upon agreement between the AE and the IEU or the Secretariat and conducted by the AE with technical support from the IEU or Secretariat and financially supported by the IEU budget, project budget or the Secretariat budget.'

As evaluation activities should be proportional to the funded activities, impact evaluations proposed should not have to lead to budgetary thresholds' revisions.

That being said, the evaluation budget of up to 5% (para. 41, Evaluation Policy) provides good guidance on the cost implications. This estimate is based on practical experience in impact evaluations. In practice, the implications of this requirement are as follow.

- 1. The interim and final evaluations are covered by the AE fees. As per para. 41, the AEs will allocate budget to conduct the interim evaluation (IE) and final evaluation (FE) as part of the AE fees, meaning the IE and FE are dealt separately. The Secretariat will check that the AE has earmarked a budget for IE and FE in the details of their AE fee (Annex 12) as part of their funding proposal.
- 2. The allocation of 2-5% of the project budget for evaluative data collection and generation is a part of the <u>project budget</u> and separate from the IE and FE budget covered by the AE fee (details in point 1). Quoting from para. 41 of the Policy "Green Climate Fund project/programme budgets should include a budget line for the generation and collection of evaluative data for projects/programmes" that means the budgetary allocation for generating and collecting evaluative data is part of the project budget and not part of AE fee.

Within the project budget, there should be a separate budget line for generating and collecting data and information needed for evaluations that is separate from the project management budget (para. 58 (c)). The project management budget within the project budget can cover some costs for managing for results (e.g., hiring an M&E officer). Evaluation-related budget within the project budget may include costs related to independent data collection such as independent baseline and end-line data collection, real-time data collection systems and independent analyses to produce high-quality evaluations.

3. Another quote from para.41 of the Policy – "Overall evaluation budgets **included within project budgets**, consistent with global evaluation international best practices, **should** range from 2–5 per cent of the project budget" –which means that evaluation-related budgets outside the IE and FE can be included as a separate budget line in the project budget (not in the AE fee).

Independent Evaluation Unit response: Indeed, rigorous impact evaluations are expensive and time consuming. It has generally been the experience that these considerations are best made at the time of project design, so that the budgetary considerations can be rightly made.

Based on experience of impact evaluations, **Paragraph 41** of the GCF Evaluation Policy states that the overall evaluation budget within the project budget should range from 2 to 5%.

Paragraph 58 (d) further states that the evaluation budget line should be up to 5 % of the project budget for supporting independent data collection (baseline and end-line data), real-time data collection systems and independent analyses to produce high-quality evaluations, including impact assessments and evaluations which is consistent with international best practices that are established globally.

It is generally expected that with these provisions, the GCF is signalling a willingness to accommodate world class impact me asurement in the design of projects.

Q₅. What is the minimum number of standards that must be applied per evaluation? The GCF Evaluation Standards seem to leave it up to the AE to determine.

Independent Evaluation Unit response:

The GCF Evaluation Standards are not mutually exclusive. Rather, they are mutually reinforcing. These standards do not compete with each other and the fulfilment of one will support the fulfilment and implementation of other standards. For instance, the standard of Independence also comes with the responsibility to uphold the standard of Transparency and Integrity.

It is expected that, depending on the context of the evaluation, certain standards may become more salient than others. For instance, when interviews are conducted with members of IPLCs (the indigenous peoples and local communities), it is especially important to apply the standards on Ethics, Integrity, Human Rights, and Respect and Beneficence.

We hope that commissioners of evaluations and evaluators themselves are able to find these Standards as an enabling factor to allow evaluations to achieve high quality. In the GCF Evaluation Standards, **Appendix I** provides a series of suggested questions and indicators that those commissioning and conducting evaluations could ask themselves when assessing the application of the Standards. Whe reas **Appendix II** provides a list of non-exhaustive good practices that evaluators may refer to while implementing the Standards.

The Evaluation Guidelines will provide further guidance.

Q6. Does the policy have any provisions for Impact Evaluation?

Independent Evaluation Unit response

Yes, the Evaluation policy contains the following provisions on Impact Evaluation:

- Paragraph 22: The IEU will be responsible for guiding, assisting and advising on real-time impact assessments/evaluations (such as learning-oriented real-time impact assessments (LORTA)) for a selection of the GCF funded activities portfolio. The IEU would select projects/programmes in coordination with the Secretariat, which will further participate in the implementation of LORTA for learning purposes.
- Paragraph 52: The IEU may undertake evaluability assessments as well as impact evaluations, in line with their Board approved TOR, at the different stages of implementation of GCF projects or programmes, in cooperation with the AEs.
- Paragraph 53: The IEU will be responsible, in collaboration with the Secretariat, for advising, guiding and assisting real-time impact assessments/evaluations for a selection of the funded activities portfolio, such as LORTA. The IEU will receive all data and reports generated through these real-time impact assessments and also share these with the Secretariat. The IEU, in coordination with the Secretariat, would select projects/programmes for LORTA. The Secretariat will further participate in the implementation of LORTA for learning purposes.
- Paragraph 54: As the learnings from real-time impact assessments/evaluations are utilized in project/programme implementation, they can inform the improvement of funding proposals and their review processes and could also be important for adaptative management (e.g., changes to log frames).
- Paragraph 58 (d): Overall evaluation budgets included within project budgets, consistent with global evaluation international best practices, should be up to 5 per cent of the project budget... The Policy encourages that the evaluation budget line in project budgets supports independent data collection (baseline and end-line data), real-time data collection systems and independent analyses to produce high-quality evaluations, including impact assessments and evaluations.
- Paragraph 58 (e): The long-term aim is that approximately 30 per cent of the Fund's projects and programmes approved annually by the Board will include real-time impact assessments as part of their evaluation plans. These impact assessments will be used to inform

the GCF portfolio and its strategic choices. Their standards will be set by the IEU, developed in consultation with the Secretariat, and informed by Board-mandated IEU functions.

LORTA-related questions and response from the Independent Evaluation Unit

Page		LORTA related questions
P.6	assessments/evaluations (sactivities portfolio. The IEU	luation Unit (IEU) will be responsible for guiding, assisting and advising on real-time impact such as learning-oriented real-time impact assessments (LORTA)) for a selection of the GCF funded U would select projects/programmes in coordination with the Secretariat, which will further entation of LORTA for learning purposes.
		LORTA stands on three pillars: Learning-Oriented – providing lessons for the GCF ecosystem and the international community about what works and how in climate change adaptation and mitigation; Real-time – learning about the impacts of the project in feedback loop by integrating implementation tracking into impact assessments; and Impact assessment – capturing the extent to which changes in outcome and impact indicators can be attributed to a particular intervention. With this the LORTA programme takes two approaches in capacity-building:
	How are the projects selected?	In a first step, the IEU helps GCF projects develop and implement rigorous evaluation designs for their projects. The annual design workshops offer training to participating project staff and stakeholders on how to think about impact evaluations and measurement systems in climate change projects, and on how to develop comprehensive IE designs adjusted to their circumstances. LORTA covers various topics in the field of evaluation, including the concept of counterfactuals, experimental/non-experimental methods, and the application of satellite data. During the workshop, participants are given the opportunity to think through the benefits of impact evaluation for their projects and assess the financial and administrative feasibility of this approach to establishing causal evidence. During the workshop, the project teams prepare a presentation of a possible impact evaluation of their project in an applied session. Workshops would also allow for more exchange and learning across the different AEs that are participating. For any subsequent steps in LORTA, the IEU would pre-select Board approved projects, based on a developed scorecard/checklist, projects that can be deemed ready for the implementation of IE plans. Factors for this selection include impact evaluation design, motivation of project team, timeline

Page		LORTA related questions
		considerations, budgetary considerations, innovativeness. For the selection of potential projects, the IEU invites and collaborates closely with the Secretariat, to seek additional inputs and feedback.
		In the second step, the IEU assists selected GCF projects in implementing the established IE plans. Following each workshop, LORTA onboards some of the participants into the LORTA programme and continues the engagement during the implementation of the established IE plans. The technical services offered are demand-driven and ensure ownership by project teams, tailoring our advisory service to the project and impact assessment needs. Understanding and meeting the needs of project teams is made possible through frequent and close communication, helping to keep our vision aligned with both on-site staff and stakeholders alike. The IEU will also undertake project and country mission travel to provide in-person advisory support on the impact evaluation design and implementation throughout the process.
	When are AEs informed of the selection?	As described above, the LORTA programme responds to the capacity building mandate and advisory mandate of the IEU. The programme consists of four phases: the in-depth engagement spans from Phase I (deep-dive impact evaluation workshop), Phase II (Baseline assessment) to Phase III (final impact evaluation analysis and results). Phase IV (Publication and Learning) is optional and only a selected impact evaluation report that meets the academic standards can be considered and tailored for wider dissemination of results. Only AEs that have participated in the initial impact assessment design workshop can be considered for the LORTA programme. For any subsequent steps in LORTA, the IEU would pre-select Board approved projects, based on a developed scorecard/checklist, projects that can be deemed ready for the implementation of IE plans. Factors for this selection include impact evaluation design, motivation of project team, timeline considerations, budgetary considerations, innovativeness. Project teams are informed after the workshop and selection process is completed. The impact assessments undertaken with help of LORTA are not automatically considered end of project evaluations (under the MAF and IRMF).
	Are they all ex-post?	Are LORTA impact assessments automatically ex-post evaluations? The simple answer to this question is no! All our impact assessments in the LORTA portfolio are designed prior to

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		implementation. The measurement system to inform impact assessments are developed in Phase I of the LORTA programme. Subsequently, the IEU assists GCF projects in implementing the established IE plans and provide technical services and advisory services for the baseline assessment. However, if a robust baseline exists, it is possible "in theory" to do an impact evaluation ex-post after the project has ended.
	To what extent does the IEU 'participate in the implementation'? According to the Table in the Annex (pasted below), the AE needs to conduct the IA	The LORTA programme efforts are concentrated around the capacity building and advisory service support for impact evaluations. As such, the IEU and more specifically the LORTA evaluation team, are not involved in the activities and interventions designed by the project. The responsibility for design of the project, impact evaluation and independent measurement rests with the AE and often with project personnel, supported by the IEU/LORTA evaluation team. The IEU offers through LORTA technical assistance to develop independent impact measurement systems and an impact evaluation. These may also highlight in "real-time" when the intervention doesn't go to plan or not show the desired outcome (for example, from a midline survey). Such feedback loops, if implemented correctly, may help to identify flaws and may help to adjust activities and interventions, and also offer lessons for similar projects by the same AE or within the same country context.

Page		LC	ORTA related questions	
		The LORTA programme responds to the capacity building mandate and advisory mandate of the IEU, as per the Terms of Reference of the Unit and the Evaluation Policy of the GCF. As such, the LORTA programme offers technical assistance, advisory services and capacity building services to selected GCF projects. The core activities of the LORTA programme are part of the IEU budget, which is approved by the Board of the GCF. In order to provide these services, the IEU may also hire external consultancy services that act as an extension of the IEU staff team. However, the IEU has not been provided with the mandate to directly fund GCF projects. The budget for the impact assessments may be provided by the existing and approved M&E budget lines of the project. The Evaluation Policy includes specific provisions on the budgets for impact assessments and data collection (refer: paras 41 and 58 (d) of the GCF evaluation policy).		
		Types and categories of evaluati	ON	
		Corporate evaluation	Evaluation covering all the interventions that apply at the Fund level.	
	To what extent is the AE	Country portfolio evaluation	Evaluation covering all the interventions in a specific country and the strategy behind these interventions.	
	'supported by the IEU budget?'	Ex-post	Evaluation conducted at the end of project implementation or a few years after, using mixed methods. Can either be a Secretariat-ledevaluation or an IEU independent evaluation.	
		Final evaluation	Evaluation that is near or at the end of an intervention to provide evaluative evidence covering the entire intervention. It measures the overall impact, effectiveness, efficiency, sustainability, replicability and lessons learned of a project.	
		Governance and institutionalevaluation	Evaluation that assesses the performance, achievements and lessons from the governance and institutional structure of the GCF.	
		Impact assessment/evaluation	Evaluation that measures the primary and secondary long-term effects of an intervention or group of interventions in a causal way. They are selected, upon agreement between an AE and the IEU or Secretariat, and conducted by the AE with technical support from the IEU or Secretariat and financially supported by the IEU budget, project budgets or the Secretariat budget.	
P.6	P.6: Accredited entities may o	conduct impact evalua	tions for GCF funded activities, in collaboration with the GCF.	
		Para 21 of the Policy	provides: "Accredited entities may conduct impact evaluations for GCF funded	
	If an AE chooses (or is	activities, in collabora	,	
	mandated) to do so, what	· ·	provides: "Accredited entities are also responsible for ensuring that financial	
	are the provisions for this?		nd final evaluations is budgeted adequately and allocated, and available in a	

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	How is the collaboration envisaged (budget, etc.)?	timely manner. Green Climate Fund project/programme budgets should include a budget line for the generation and collection of evaluative data for projects/programmes. This budget is exclusive of interim and final evaluations costs, which are covered by AE fees. Overall evaluation budgets included within project budgets, consistent with global evaluation international best practices, should range from 2–5 per cent of the project budget." With these provisions, the Policy provides support to the AEs to undertake impact evaluations. It
		 can be expected that some of these impact evaluations are undertaken closely with the GCF, for instance with LORTA. Table 2 of the Policy further provides that in the case of AE-led evaluations, an AE: Submits reports of interim and final evaluations to the Secretariat. Shares, at its discretion, reports with the GCF relating to the knowledge sharing and
		 learning function of the GCF, in a timely manner. Shares monitoring data and other relevant project data, implementation/evaluation reports with IEU in support of Board mandated independent evaluations.
		With these and other provisions, the Policy sets up a framework wherein AEs are able to undertake impact evaluations and are able to include a budget line for such evaluations. It is possible for some impact evaluations to be undertaken with the LORTA program of the IEU, and AEs can receive technical assistance. It is generally expected that impact evaluations results are shared with the GCF.
		All selected projects under the LORTA programme will be supported by the IEU. Such support would include technical and advisory services as well as capacity building efforts. The IEU will collaborate with the project teams to identify needs and provide technical support and advice where possible. The selection of GCF projects under the LORTA programme is based on the initial design workshop and a scorecard/checklist. Factors such as demand, timeline, budgetary considerations and motivation will help to identify projects for LORTA. The LORTA workshop will help to create awareness and discuss potential expenses for impact evaluations and implications for the project's M&E budget. LORTA will not mandate impact assessments to accredited entities at any point in time.

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P.12	the different stages of implent responsible, in collaboration wassessments/evaluations for a reports generated through the	evaluability assessments as well as impact evaluations, in line with their Board approved TOR, at nentation of GCF projects or programmes, in cooperation with the AEs. The IEU will be with the Secretariat, for advising, guiding and assisting real-time impact a selection of the funded activities portfolio, such as LORTA. The IEU will receive all data and less real time impact assessments and also share these with the Secretariat. The IEU, in would select projects/programmes for LORTA. The Secretariat will further participate in the rearning purposes.
	How do we know which projects will be selected?	The selection to LORTA is as follows. The projects (approved or in pipeline) by AEs are first invited to participate in the annual LORTA impact evaluation workshop. The workshop is a capacity-building event where the LORTA team covers various topics such as: how to construct a theory of change, evaluation questions and indicators, impact evaluation designs, etc. During the LORTA workshop, the project teams prepare a presentation of a possible impact evaluation of their project. After the workshop, certain projects with the strongest impact evaluation design, motivation, right timeline, sufficient budget and innovativeness are selected into LORTA after coordination with the Secretariat.
	When are AE's informed?	The AEs are informed a few weeks after the LORTA workshop. The selection is made by the LORTA team (with feedback from the Secretariat colleagues).
	To what extent do AEs need to prepare? To what extent do AEs have an influence on the methodology, etc.?	LORTA stands on three pillars: Learning-Oriented – providing lessons for the GCF ecosystem and the international community about what works and how in climate change adaptation and mitigation; Real-time – learning about the impacts of the project in feedback loop by integrating implementation tracking into impact assessments; and Impact assessment – capturing the extent to which changes in outcome and impact indicators can be attributed to a particular intervention. With this the LORTA programme takes two approaches in capacity-building: a) IEU helps GCF projects develop and implement rigorous evaluation designs for their projects, and b) IEU assists selected GCF projects in implementing the established IE plans. This collaborative approach ensures that the methodological basis for the impact assessments is a joint effort. The LORTA programme is

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		project/demand driven. Due to our capacity-building mandate, we make sure that the project teams/M&E officers have full ownership of the design of the impact evaluation. We enhance existing capacity through our engagement and follow through the process from the beginning until the impact evaluation results.
	According to the table on p.18, AEs should conduct the IAs. How does this differ from the Impact Evaluations undertaken by the IEU?	The Policy has the following provisions: 22. "Accredited entities may conduct impact evaluations for GCF funded activities, in collaboration with the GCF." 52. "As per this Policy, the IEU will be responsible for undertaking independent evaluations/reviews/assessments. Additionally, upon request by the Secretariat, the IEU could provide technical support in the design or implementation of evaluations or reviews to be conducted or managed by the Secretariat." 53. "The IEU will be responsible, in collaboration with the Secretariat, for advising, guiding and assisting real-time impact assessments/evaluations for a selection of the funded activities portfolio, such as LORTA." 54. "The Fund may also carry out ex-post evaluations following the end of project/programme implementation at its own cost, and with reasonable notice to AEs. These evaluations can either be Secretariat-led evaluations or IEU independent evaluations." It is therefore expected that the IEU may support a selection of FPs through LORTA. LORTA is a capacity and technical assistance program. Any impact evaluations undertaken directly by the IEU would be part of the IEU's Board approved workplan. Generally, the methodology is identical. In addition to this, the evaluation policy is not only applicable to the AEs but also the Secretariat and IEU evaluations.

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		Types and categories of evaluation	ON .
		Corporate evaluation	Evaluation covering all the interventions that apply at the Fund level.
		Country portfolio evaluation	Evaluation covering all the interventions in a specific country and the strategy behind these interventions.
		Ex-post	Evaluation conducted at the end of project implementation or a few years after, using mixed methods. Can either be a Secretariat-ledevaluation or an IEU independent evaluation.
		Final evaluation	Evaluation that is near or at the end of an intervention to provide evaluative evidence covering the entire intervention. It measures the overall impact, effectiveness, efficiency, sustainability, replicability and lessons learned of a project.
		Governance and institutionalevaluation	$\label{performance} Evaluation that assesses the performance, achievements and lessons from the governance and institutional structure of the GCF.$
		Impact assessment/evaluation	Evaluation that measures the primary and secondary long-term effects of an intervention or group of interventions in a causal way. They are selected, upon agreement between an AE and the IEU or Secretariat, and conducted by the AE with technical support from the IEU or Secretariat and financially supported by the IEU budget, project budgets or the Secretariat budget.
P.12	Board will include real-time in	mpact assessments as	er cent of the Fund's projects and programmes approved annually by the part of their evaluation plans. These impact assessments will be used to heir standards will be set by the IEU, developed in consultation with the
P.12	Board will include real-time in	mpact assessments as its strategic choices. T	part of their evaluation plans. These impact assessments will be used to heir standards will be set by the IEU, developed in consultation with the