

**GREEN  
CLIMATE  
FUND**

**Meeting of the Board**  
21 – 24 October 2024  
Songdo, Incheon, Republic of Korea  
Provisional agenda item 13

**GCF/B.40/14**

**3 October 2024**

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# Independent Evaluation Unit 2025 work plan and budget and update of its three-year rolling objectives

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## **Summary**

This document summarizes the key elements of the work plan and budget of the Independent Evaluation Unit (IEU) for 2025. It contains: (i) an overview of the IEU's deliverables during 2025; (ii) key elements of the IEU's annual 2025 work plan and budget; (iii) the work plan of the Third Performance Review; (iv) IEU's indicative budget for 2026 and 2027; and (v) an update of the IEU's three-year rolling objectives. The Board is requested to consider and approve a budget of USD 7,872,039 for FY2025 and the provisional budget of USD 8,245,067 and USD 7,977,792 for FY2026 and FY2027, respectively. A draft decision for the Board's consideration is presented in annex I.

## **I. Introduction**

1. This document is organized as follows:
  - (a) Annex I: Draft decision for the Board's consideration
  - (b) Annex II: Proposed IEU annual work plan and budget for 2025
  - (c) Annex III: Third Performance Review for 2025–2027
  - (d) Annex IV: IEU's three-year rolling objectives

## Annex I: Draft decision of the Board

The Board, having considered document GCF/B.40/13 titled “Independent Evaluation Unit 2025 work plan and budget and update of its three-year rolling objectives”:

- (a) Decides to launch the Third Performance Review of the Green Climate Fund;
- (b) Approves the work plan and administrative budget for the Independent Evaluation Unit (IEU) for 2025 in the amount of USD 7,872,039, as set out in table 3 of annex II to this document;
- (c) Approves in accordance with the Administrative Budget and Accounting Framework approved by decision B.38/07, the provisional administrative budgets for the IEU, as set out in table 5 of annex II to this document, in the amount of USD 8,245,067 for 2026 and USD 7,977,792 for 2027; and
- (d) Notes the update on the IEU’s three-year rolling objectives, outlined in annex IV as requested by the Board to ensure flexibility, learning and predictability for the IEU.

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

Annex II is organized as follows:

- (e) Section I presents the IEU's 2025 work plan.
- (f) 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

### 1.2.1 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 **four 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 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. **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. After the IEU's Independent evaluation of the GCF's Environmental and Social Safeguards in 2019 and the Independent evaluation of the GCF's approach to Indigenous Peoples in 2024, this evaluation will assess the GCF's approach to gender and the extent to which gender sensitivity, responsiveness, transformation, and outcomes have been incorporated both in the support programmes and project cycle of the GCF. In the project cycle, the IEU will assess if and how gender was considered in the project identification, project formulation and development, implementation, and monitoring and evaluation of GCF-funded activities. This evaluation will assess the relevance, coherence and effectiveness of the gender and social inclusion action plan of funded activities. From a results perspective, the team will assess if and how gender co-benefits are obtained in projects as per such plans, and ultimately, assess the performance of the GCF project portfolio towards gender outcomes. In addition to this, the evaluation aims to inform the policy review process of sustainability and other policies of the GCF. The evaluation report will be submitted to the Board in time for the first Board meeting of 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 annex III. 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.

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.

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 Energy Sector Portfolio and Approach and 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.

#### 1.2.2. **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. 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 stoplight 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.

### 1.2.3. **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.

**1.2.4. 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)
<b>Staff costs (1)</b>	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%
<b>Travel (2)</b>	307,832	115,518	226,239	341,757	111.0%
General	307,832	115,518	226,239	341,757	111.0%
<b>Professional services (3)</b>	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%
<b>Sub-total (IEU) (4=1+2+3)</b>	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%
<b>Grand total (6=4+5)</b>	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 -30.2 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 (annex III) 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 1,712,000, 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)**

	<b>A</b>	<b>B</b>	<b>C</b>	<b>D = C-B</b>	<b>E = D ÷ B</b>	<b>F = (C-A) ÷ A</b>
	<b>2024 approved budget <sup>a</sup></b>	<b>2024 forecast</b>	<b>2025 proposed budget</b>	<b>\$ change over forecast</b>	<b>% change over forecast</b>	<b>% change over 2024 approved budget</b>
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	1,177,000	(401,444)	-25.4%	-30.2%
Other operating costs	41,500	53,004	41,500	(11,504)	-21.7%	0.0%
<b>Sub-total (A)</b>	<b>6,979,735</b>	<b>5,984,186</b>	<b>6,602,953</b>	<b>618,767</b>	<b>10.3%</b>	<b>-5.4%</b>
<b>Shared cost allocation (B)</b>	<b>755,169</b>	<b>755,169</b>	<b>797,086</b>	<b>41,917</b>	<b>5.6%</b>	<b>5.6%</b>
<b>Third Performance Review (C)</b>	<b>-</b>	<b>-</b>	<b>472,000</b>	<b>472,000</b>	<b>-</b>	<b>-</b>
<b>Grand total (A+B+C)</b>	<b>7,734,904</b>	<b>6,739,355</b>	<b>7,872,039</b>	<b>1,132,684</b>	<b>16.8%</b>	<b>1.8%</b>

Note: <sup>a</sup> 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
<b>Total cost</b>	<b>797,086</b>



## 2.3 IEU's indicative budget for 2026–2027

41. The IEU's indicative budget for 2026 and 2027 is presented in Table 5. This indicative 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 four 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 be stable with a 0.8 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 815,000 and for 2027 is USD 425,000.

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

Budget (\$)	2024 Approved Budget a	2024 Forecast	2025 Requeste d	2026 Requeste d	2027 Requeste d	\$ 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%
<b>Staff, consultants, interns</b>	<b>4,943,403</b>	<b>4,010,981</b>	<b>5,075,877</b>	<b>5,142,181</b>	<b>5,310,176</b>	<b>1,064,896</b>	<b>26.5%</b>	<b>66,304</b>	<b>1.3%</b>	<b>167,995</b>	<b>3.3%</b>	<b>9.8%</b>
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%
<b>Travel expenses</b>	<b>307,832</b>	<b>341,757</b>	<b>308,576</b>	<b>311,941</b>	<b>341,572</b>	<b>-33,181</b>	<b>-9.7%</b>	<b>3,365</b>	<b>1.1%</b>	<b>29,631</b>	<b>9.5%</b>	<b>0.0%</b>
Professional services	1,687,000	1,578,444	1,177,000	1,161,000	1,141,000	-401,444	-25.4%	-16,000	-1.4%	-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%
<b>Contractual services</b>	<b>1,728,500</b>	<b>1,631,448</b>	<b>1,218,500</b>	<b>1,202,500</b>	<b>1,182,500</b>	<b>-412,948</b>	<b>-25.3%</b>	<b>-16,000</b>	<b>-1.3%</b>	<b>-20,000</b>	<b>-1.7%</b>	<b>-10.2%</b>
<b>IEU administrative budget (A)</b>	<b>6,979,735</b>	<b>5,984,186</b>	<b>6,602,953</b>	<b>6,656,622</b>	<b>6,834,248</b>	<b>618,767</b>	<b>10.3%</b>	<b>53,669</b>	<b>0.8%</b>	<b>177,626</b>	<b>2.7%</b>	<b>4.5%</b>
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%
<b>Shared cost allocation (B)</b>	<b>755,169</b>	<b>755,169</b>	<b>797,086</b>	<b>773,445</b>	<b>718,544</b>	<b>41,917</b>	<b>5.6%</b>	<b>-23,641</b>	<b>-3.0%</b>	<b>-54,901</b>	<b>-7.1%</b>	<b>-1.6%</b>
Professional services	-	-	382,000	730,000	373,000	382,000		348,000	91.1%	-357,000	-48.9%	-1.2%
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%
<b>Third Performance Review (C)</b>	<b>-</b>	<b>-</b>	<b>472,000</b>	<b>815,000</b>	<b>425,000</b>	<b>472,000</b>	<b>-</b>	<b>343,000</b>	<b>72.7%</b>	<b>-390,000</b>	<b>-47.9%</b>	<b>-5.1%</b>
<b>Total (D=A+B+C)</b>	<b>7,734,904</b>	<b>6,739,355</b>	<b>7,872,039</b>	<b>8,245,067</b>	<b>7,977,792</b>	<b>1,132,684</b>	<b>16.8%</b>	<b>373,028</b>	<b>4.7%</b>	<b>-267,275</b>	<b>-3.2%</b>	<b>5.8%</b>

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.

## Annex III: 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.

5. **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.

6. **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.

7. 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

8. 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.

9. 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

10. 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

11. 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.
12. These key products will be supplemented by various consultations.

#### 4. Budgetary reflections on the Third Performance Review

13. 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

14. **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) Scenario modelling for the GCF, considering climate data, GCF investments, and results;
  - (iv) Thematic expertise and review, including the questions that emerge as part of the inception for the TPR;
  - (v) Overall data collection;
  - (vi) Data analysis and writing; and
  - (vii) Communication of the TPR.
15. 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 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.

16. 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.

17. **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.

18. **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.



## Annex IV: The IEU’s three-year rolling objectives (2025–2027)

1. The three-year rolling objectives of the IEU presents a medium-term strategic planning framework with a three-year rolling cycle, based on the Unit’s capacity, the Fund’s needs and continuous learning from the independent evaluation function of the GCF. The three-year rolling objectives are based on the Unit’s four key aims, objectives and measurable outputs. The IEU’s four key aims are:

- (i) Undertake and deliver high-quality evaluations;
- (ii) Build and deliver an evaluation-based learning, advisory and capacity strengthening;
- (iii) Engage strategically to learn, share and adopt best practices; and
- (iv) Strengthen and position the IEU.

2. Following this practice, this annex presents modifications as necessary, of the IEU’s three-year rolling work plan. With the Board decisions on the evaluation policy of the GCF (decision B.BM-2021/07) and the amendment for the evaluation policy (hereafter, ‘Evaluation Policy’), the updated terms of reference of the IEU (decision B.BM-2021/15), the IEU’s position within the Unit, and ultimately its several mandates, were further clarified and strengthened. The three-year rolling objectives of the IEU were adjusted accordingly. With the ongoing implementation of the Evaluation Policy, several modifications to the three-year objectives were made to reflect the current strategic direction of the independent evaluation function of the GCF. In 2024, the three-year rolling objectives, aims, and outputs are being reorganized and revised to better reflect the Unit’s mandate and priorities. While all substantive revisions are reflected in Table 1, several structural changes were not reflected in such a manner. Structural changes were made to ensure the closer alignment of the Unit’s workplan with these three-year rolling objectives.

3. The three-year rolling objectives are updated to respond to several contextual changes, as well. Firstly, the increasing maturity of the GCF and the evaluation function therein, require less focus on policy-formulation and more on dissemination and capacity. Secondly, the IEU is expected to focus on the capacity building dimensions to harness the opportunity and responsibility of promoting strong evaluations of the GCF and the climate finance space. Finally, and importantly, with the IEU firmly placed within the GCF and evaluation community, there is increased focus on serving the mandates related to capacity building, field building, and learning.

**Table 1. Aims, objectives and key outputs of the IEU’s three-year rolling objectives (2025–2027)**

No.	Aim and objectives	Outputs
<b>1.</b>	<b>Undertake and deliver high-quality evaluations</b>	
1a.	Carry out strategic high-quality performance, portfolio, thematic, country, programmatic and project evaluations annually that are useful to the Board, the GCF	<ul style="list-style-type: none"> <li>• All IEU evaluations will comprise three streams: data and science, communications, and advisory work. This will allow all IEU evaluations to be utilization focused, and relevant. They will provide credible evidence to the Board of the GCF.</li> <li>• [revised] The IEU will carry out evaluations annually, as determined in the IEU workplan</li> </ul>



No.	Aim and objectives	Outputs
	<p>Secretariat and the Conference of Parties, and are able to provide an independent assessment of the Fund's operations.<sup>1</sup></p>	<p>approved by the Board. All IEU evaluations will espouse available best practice and will make use of cutting-edge methodologies. A long list of potential evaluation topics was identified: amongst others, GCF's approach to investment, GCF's approach to risk, the GCF trustee function, <del>RPSP</del>, GCF's learning and knowledge management approach, country portfolio evaluation, GCF region evaluation, in particular the <del>Latin American and the Caribbean (LAC) States, and Eastern Europe and Central Asia portfolio, Asia-Pacific portfolio</del>, GCF's approach to and portfolio of multi-lateral development banks, <i>private sector evaluation with focus on MSMEs, adaptive management and restructuring, cross-cutting projects, innovation</i>, the independent Technical Advisory Panel, GCF governance structure, project-approach evaluations, <del>GCF's approach to and investments in the water sector, GCF's approach to whistleblowers and witnesses, GCF's approach to Indigenous Peoples, gender evaluation, evaluation of climate information and early warning system</del>, evaluation of result areas, <i>result area transport, result area ecosystems and ecosystem services</i>, country programming with the GCF, just transition, evaluation of forests, land use and REDD+, greening financial systems, <del>the use of traditional knowledge</del>, debt instruments and debt relief, coherence and complementarity, <i>implementation of adaptation projects, locally-led adaptation actions, and mitigation portfolio</i>.</p> <ul style="list-style-type: none"> <li>• IEU evaluations will also strive for external validity, identify “what could work”, and assess measures of cost-effectiveness, recalling that climate finance is limited.</li> </ul>
1b.	<p>Undertake high quality <i>overall</i> performance evaluations of the GCF including (but not restricted to) an overall assessment of results, efficiency and effectiveness to inform</p>	<ul style="list-style-type: none"> <li>• [revised] The IEU will undertake overall performance evaluations as required by its terms of reference, and in accordance with the Guidelines for the Effective Functioning of the IEU.<sup>3</sup> <i>During 2025–2027, the IEU will undertake the Third Performance Review of the GCF.</i> The performance evaluation undertaken by the IEU to examine the relevance, effectiveness, efficiency, impact and the performance of the Fund, will inform the</li> </ul>

<sup>1</sup> Board decision B.BM-2021/15, annex I.

<sup>3</sup> Board document GCF/B.36/Inf.09, annex IV.

No.	Aim and objectives	Outputs
	the replenishment process. <sup>2</sup>	<p>replenishment of the GCF. The performance evaluation will take into account the Evaluation Policy and standards.</p> <ul style="list-style-type: none"> <li>• The IEU will also deliver the following:               <ol style="list-style-type: none"> <li>(1) Evaluation reports to the Conference of Parties to the United Nations Framework Convention on Climate Change and the Paris Agreement for the purposes of periodic review of the Financial Mechanism of the Convention.<sup>4</sup></li> <li>[deleted] (2) As a member of the United Nations Evaluation Group (UNEG), the IEU will actively participate in UNEG meetings and evaluation groups.</li> <li>(2) Overall assessment of the Fund's results and the effectiveness and efficiency of its activities.<sup>5</sup></li> </ol> </li> </ul>
1c.	Review the results management and performance measurement framework and prepare a real-time learning-oriented impact evaluation project portfolio.	<ul style="list-style-type: none"> <li>• The IEU will provide recommendations based on international evidence and best practices for improving the GCF's results management framework and performance measurement framework.<sup>6</sup></li> <li>• Since 2018, the IEU has undertaken periodic evaluability assessment 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, M&amp;E plan and budget. The evaluability assessment will include a stoplight analysis to disseminate portfolio and sub-portfolio results.</li> <li>• The IEU will review the implementation of recommendations made in the independent evaluations. The IEU will provide management action reports to the Board, as per the Evaluation Policy.<sup>7</sup></li> </ul>

<sup>2</sup> Board decision B.BM-2021/15, annex I, paragraph 8.

<sup>4</sup> UNFCCC decision 5/CP.19, annex, paragraph 20: "The reports of the GCF should include any reports of the independent evaluation unit, including for the purposes of the periodic reviews of the financial mechanism of the Convention."

<sup>5</sup> Board decision B.BM-2021/15, annex I, paragraph 3(b).

<sup>6</sup> Board decision B.BM-2021/15, annex I, paragraph 10.

<sup>7</sup> Board document GCF/BM-2021/09, paragraph 64(b).

No.	Aim and objectives	Outputs
		<ul style="list-style-type: none"> <li>• The IEU will be responsible for guiding, assisting, managing and advising on real-time impact assessments/evaluations, such as learning-oriented real-time impact assessments (LORTA). Since COVID-19, the IEU supports project teams' capacity building through an additional e-learning training tool. Alongside the direct engagement in the region and country, this tool is designed and executed by the IEU to help project teams build the necessary evaluation capacity, understanding of M&amp;E tools, and capacity to measure their impacts and changes resulting from GCF investments.</li> <li>• Aligned with the GCF Evaluation Policy, 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.<sup>8</sup> These impact assessments will be used to inform the GCF portfolio and its strategic choices. Their standards will be set by the IEU and informed by Board-mandated IEU functions. The IEU's LORTA programme will make efforts to contribute directly to this long-term aim.</li> <li>• [moved] The IEU will develop state-of-the-art methods to inform and build evaluations led by the IEU. To this end, it will review international best practices in policy evaluation, methods and indicators and use them to attest and benchmark the quality of GCF self-evaluations conducted by the Secretariat and provide recommendations for the results management framework and performance measurement framework.<sup>9</sup></li> <li>• [moved] The IEU will undertake quality assurance of Secretariat-led evaluations and AE-led evaluations, in accordance with the Evaluation Policy.<sup>10</sup></li> </ul>
<b>2.</b>	<b>Build and deliver an evaluation-based learning, advisory and capacity strengthening</b>	
2a.	Ensure programmes and activities funded by the	<ul style="list-style-type: none"> <li>• The IEU will build awareness on the uses of evaluations and strengthen appropriate</li> </ul>

<sup>8</sup> Board document GCF/BM-2021/09, paragraph 58(e).

<sup>9</sup> Board decision B.BM-2021/15, annex I.

<sup>10</sup> Board document GCF/BM-2021/09, paragraph 52.

No.	Aim and objectives	Outputs
	<p>GCF maintain sufficient quality in terms of data, design and information to inform evaluations.</p>	<p>systems/institutional and human capacity for evaluative evidence and evidence-based policies.</p> <ul style="list-style-type: none"> <li>• The IEU will build and deliver customized workshops upon request and disseminate products to ensure learning and uptake for this objective.</li> <li>• The IEU will provide evidence-based recommendations on projects/programmes of activities to improve the ability of the IEU to provide quality evaluations of the Fund’s activities. It will also work to ensure that they are reflected in funded activities, agreements and proposals.</li> <li>• Through LORTA, the IEU will support high-quality data and assessments which will enable the GCF and its stakeholders to learn about and generate high-quality, credible evaluations that measure attributable change in GCF result areas.</li> <li>• The IEU will build its capacity building efforts for evaluations and evaluation standards to help strengthen the understanding, utility and execution of high-quality evaluations at all levels of the GCF, including the implementing entities.</li> </ul>
2b.	<p>Synthesize evaluative evidence from international experience and GCF-related evaluations to benchmark and inform evaluations in GCF result areas and help prioritize evaluations and <i>evidence reviews</i> using state-of-the-art methods.<sup>11</sup></p>	<ul style="list-style-type: none"> <li>• The IEU will build a database of evaluative evidence and synthesize learning through evidence gap maps, intervention heat maps and systematic reviews.</li> <li>• The IEU will support systematic reviews and meta-syntheses of evaluative evidence relevant to GCF result areas.</li> <li>• [revised] The IEU will prepare synthesis notes <i>for the Board and the Secretariat</i> to provide a summary of evaluative evidence on a particular topic across all IEU evaluations and other related work. <i>These notes will also inform future evaluations.</i></li> <li>• [revised] In addition, these synthesis notes will also include further evidence within the climate finance and related development landscape. A long list of potential synthesis notes’ topics was identified: amongst others, innovation, country programming, GCF’s utility on loss and damage, GCF’s approach to technology, <del>GCF’s approach to indigenous peoples</del>, GCF’s gender approach, <del>just transition</del>, complexity in climate interventions and evaluation, M&amp;E</li> </ul>

<sup>11</sup> Board document GCF/B.31/14, annex I.

No.	Aim and objectives	Outputs
		<p>systems in climate change interventions, enabling environments for mitigation and adaptation, <del>market-based mechanisms in climate change</del>, forest conservation, climate change adaptation and blockchain and cryptocurrency.</p>
2c.	Provide inputs to improve the results-based framework and performance framework of the GCF. <sup>12</sup>	<ul style="list-style-type: none"> <li>• The IEU will conduct retrospective theories of change exercises to inform the results framework and performance measurement framework of the GCF as well as the Evaluation Policy.</li> <li>• The IEU will provide evidence-based recommendations by analysing reporting templates, and will engage with AEs and other stakeholders to provide evidence-based recommendations on designs to ensure high quality, credible reporting and evaluations.</li> <li>• <del>[moved] The IEU will develop state-of-the-art methods to inform and build evaluations led by the IEU. To this end, it will review international best practices in policy evaluation, methods and indicators and use them to attest and benchmark the quality of GCF self-evaluations conducted by the Secretariat and provide recommendations for the results management framework and performance measurement framework.<sup>13</sup></del></li> <li>• <del>[moved] The IEU will undertake quality assurance of Secretariat-led evaluations and AE-led evaluations, in accordance with the Evaluation Policy<sup>14</sup>.</del></li> </ul>
2d.	Build capacity for undertaking evaluations, understanding standards and methods, within the Secretariat and GCF stakeholders, and use innovative ways to ensure this. <sup>15</sup>	<ul style="list-style-type: none"> <li>• <del>[revised]</del> To maximize cost effectiveness, the IEU will explore options to create and execute training modules and provide such contents in virtual formats next to traditional person-to-person formats through a variety of platforms. Capacity building efforts of the IEU will be tailored to the needs of the AEs, NDAs, implementing entities and others. These efforts will also be based on periodic capacity needs assessments. <i>The IEU will also provide capacity building to the Secretariat, subject to capacity availability at the Unit.</i> While only limited opportunities exist, some of the IEU</li> </ul>

<sup>12</sup> Board decision B.BM-2021/15, annex I, paragraph 10.

<sup>13</sup> Board decision B.BM-2021/15, annex I.

<sup>14</sup> Board document GCF/BM-2021/09, paragraph 52.

<sup>15</sup> Board decision B.BM-2021/15, annex I, paragraph 27.

No.	Aim and objectives	Outputs
		<p>capacity building efforts may be executed in coordination with relevant M&amp;E stakeholders of the Secretariat.</p> <ul style="list-style-type: none"> <li>• [revised] The IEU will build innovative products to ensure learning and the uptake of evaluative evidence. Accordingly, the IEU will train, share and build capacity for undertaking evaluations within the Secretariat and collaborate to build awareness within AEs, NDAs, implementing entities and others. The IEU will continue to support GCF events and dialogues (e.g. <i>GCF</i> structured and regional dialogues).</li> <li>• The IEU will build customized workshops, engage with other agencies and trainers to develop training modules and matchmake teams for programmatic and project evaluations.</li> <li>• The IEU will create training modules and train GCF stakeholder staff, including staff from intermediary agencies, to bring them up to speed on state-of-the-art methods to evaluate the Fund's activities.</li> <li>• [revised] The IEU will also collaborate with universities and other agencies to develop these customized courses. <i>The IEU will also seek new collaboration with global evaluation and evidence initiatives, where possible.</i></li> </ul>
<p><b>3. Engage strategically to learn, share and adopt best practices</b></p>		
<p>3a.</p>	<p>The IEU will increase its engagement with key actors in the international evaluation space and collaborate with GCF partners, AEs, NDAs and focal points and staff in partner organizations to leverage their presence and capacities to help with the IEU's other objectives.</p>	<ul style="list-style-type: none"> <li>• The IEU will use international engagements to deliver customized awareness building workshops on evaluation vision and techniques, showcasing high quality evaluation methods and standards to GCF stakeholders.</li> <li>• The IEU will develop communication products conveying the key messages from evaluations.</li> <li>• [revised] The IEU will establish formal partnership agreements with evaluation, climate and finance networks and organizations to leverage their presence for <i>joint evaluation and evidence work</i>, capacity building, learning and knowledge management efforts among stakeholders of the GCF ecosystem and beyond.</li> <li>• For knowledge management, the IEU will ensure that evaluation results inform the development, update and design of strategies, policies, and operations of the GCF and its ecosystem. To</li> </ul>

No.	Aim and objectives	Outputs
3b.	The IEU will be at the forefront of methods and climate science and establish the IEU as a global leader in the field. <sup>17</sup>	<p>facilitate this process, the IEU continues to periodically prepare brief notes synthesizing lessons learned from evaluations, in accordance with the Updated TOR of the IEU.<sup>16</sup> The IEU will also build new tools to improve knowledge management and sharing of the evidence base produced by the IEU to the GCF ecosystem.</p> <ul style="list-style-type: none"> <li>• [new] <i>The IEU will continue to establish communication and dissemination channels with the Board (e.g. IEU side events during Board meetings), to provide trusted evidence, impact evaluations, and lessons learnt from independent evaluations directly to the Board.</i></li> <li>• The IEU will support methods-related work relevant to the GCF's result areas and evaluations that harness complexity science and new measurement methods. This includes commissioning methods papers, briefs and reviews, supporting knowledge hubs and supporting relevant conferences, workshops, methods labs and learning clinics.</li> <li>• As a member of UNEG, the IEU will actively participate in UNEG meetings and evaluation groups.</li> <li>• [revised] With the active UNEG membership, the IEU has commenced evaluation and learning work on the SDGs. The IEU will continue to support the SDG <i>Synthesis</i> Coalition work, in particular for the SDGs related to climate, environment and biodiversity, with the aim to build a rigorous evidence base.</li> <li>• [revised] The IEU will lead the field of climate evaluations. The IEU will convene the evaluation and learning functions of the four climate funds, including the Global Environment Facility (GEF), Climate Investment Funds (CIF), and Adaptation Fund. <i>Such engagement will also be elevated through a joint work plan of the four climate funds' evaluation functions.</i></li> </ul>
<p><b>4. Strengthen and position the IEU</b><sup>18</sup></p>		

<sup>16</sup> Board decision B.BM-2021/15, annex I.

<sup>17</sup> Board document GCF/B.31/14, annex I.

<sup>18</sup> Board decision B.BM-2021/15, annex I, paragraph 4.

No.	Aim and objectives	Outputs
4a.	Ensure that the IEU is completely staffed to meet its objectives of accountability and learning. <sup>19</sup>	<ul style="list-style-type: none"> <li>• [revised] The IEU will be fully staffed (<i>26 staff by 2027</i>) with an emphasis on building high quality evaluation and thematic capacity.</li> <li>• The IEU will comprise four workstreams: science and data; learning, uptake, knowledge and synthesis; capacity building, advisory and policy; and quality assurance, administration and review. The workstreams allow for the development of expertise, specialization, and excellence in the respective essential areas.</li> <li>• The IEU will perform its function of acting as the third line of defence in ensuring effective internal control of the Fund, in accordance with the Compliance Risk Policy (component VIII) and the administrative guidelines on internal control. Thus, the IEU will further define the mandate of quality assurance through evaluations.</li> <li>• The Updated Terms of Reference for the IEU will be widely disseminated, and high functioning staff will be hired competitively at the IEU.</li> <li>• The IEU will be well-managed and personal performance and professional development plans for all IEU staff will be articulated.</li> <li>• The IEU will continue to build “modularity” and ‘capacity’ in staffing to account for routine events such as staff turnover, hiring and procurement challenges, but also unexpected events such as a pandemic.</li> </ul>
4b.	IEU’s policies and standards are well-articulated and understood.	<ul style="list-style-type: none"> <li>• [revised] <del>Following the Board approval of the evaluation policy of the GCF, the</del> The IEU will continue operationalize the <i>Evaluation Policy</i>, including through dedicated capacity building and learning events on the <i>Evaluation Policy of the GCF</i>, and the <i>Evaluation Standards which take into account the norms and standards of the UNEG. and evaluation guidance provided by the IEU. <del>Following the Board request, the IEU developed evaluation standards, in collaboration with the Secretariat. While not being limited to these, the evaluations standards of the GCF also take into account the norms and standards of the UNEG. The IEU will also provide evaluation standards</del> <i>In addition to the operationalization of the Evaluation Policy, the IEU</i></i></li> </ul>

<sup>19</sup> Board document GCF/B.31/14, annex I.



No.	Aim and objectives	Outputs
4c.	Procedures and guidelines for the effective operation of the IEU are specified and IEU budgets and work plans are approved in a timely manner.	<p><i>will further develop and provide evaluation standards for particular contexts and types of evaluations, (e.g. impact evaluations). The IEU <del>also</del> will <i>continue to</i> collaborate with the Secretariat in the development of <i>their</i> monitoring protocols, toolkits and guidelines that take into account the Evaluation Policy, the integrated results management framework, and any lessons learned from the Unit's evaluation function.</i></p> <ul style="list-style-type: none"> <li>• Awareness will be generated among GCF staff and NDAs, AEs, implementing entities, and others to ensure uptake and implementation of the Evaluation Policy and standards.</li> <li>• <del>[deleted] The IEU's vision and strategy will be finalized and shared with all IEU staff</del></li> <li>• <i>[new] The IEU's vision and strategic plan is defined by the three-year rolling objectives of the Unit. In order to provide transparency, predictability, and accountability of the operation of the Unit. The objectives will be updated annually in response to contextual changes, policy development, and maturity of the Unit.</i></li> <li>• <i>[revised] After sharing the initial guidelines for the effective functioning at B.29 and B.36, the IEU will further refine and submit these guidelines and procedures to the Board as required. These guidelines <i>are developed to</i> ensure the independence and effective functioning and operation of the IEU, in keeping with international best practices.<sup>20</sup> The guidelines for the effective functioning of the IEU also consider the Board-approved <i>revised</i> terms of reference of the Head of the IEU, the Evaluation Policy, and the updated Terms of Reference of the Unit.<sup>21, 22, 23</sup></i></li> <li>• <i>[revised] A rolling three-year <del>plan</del> objectives, budget and an annual work plan will be presented every year to ensure transparency, certainty and foresight in planning and delivering high quality evaluations and reviews.<sup>24</sup></i></li> </ul>

<sup>20</sup> Board document GCF/B.36/Inf.09, annex IV.

<sup>21</sup> Board decision B.BM-2021/15, annex I.

<sup>22</sup> Board document GCF/B.31/14, annex I.

<sup>23</sup> Board document GCF/BM-2021/09.

<sup>24</sup> Board decision B.BM-2021/15, annex I, paragraph 21.

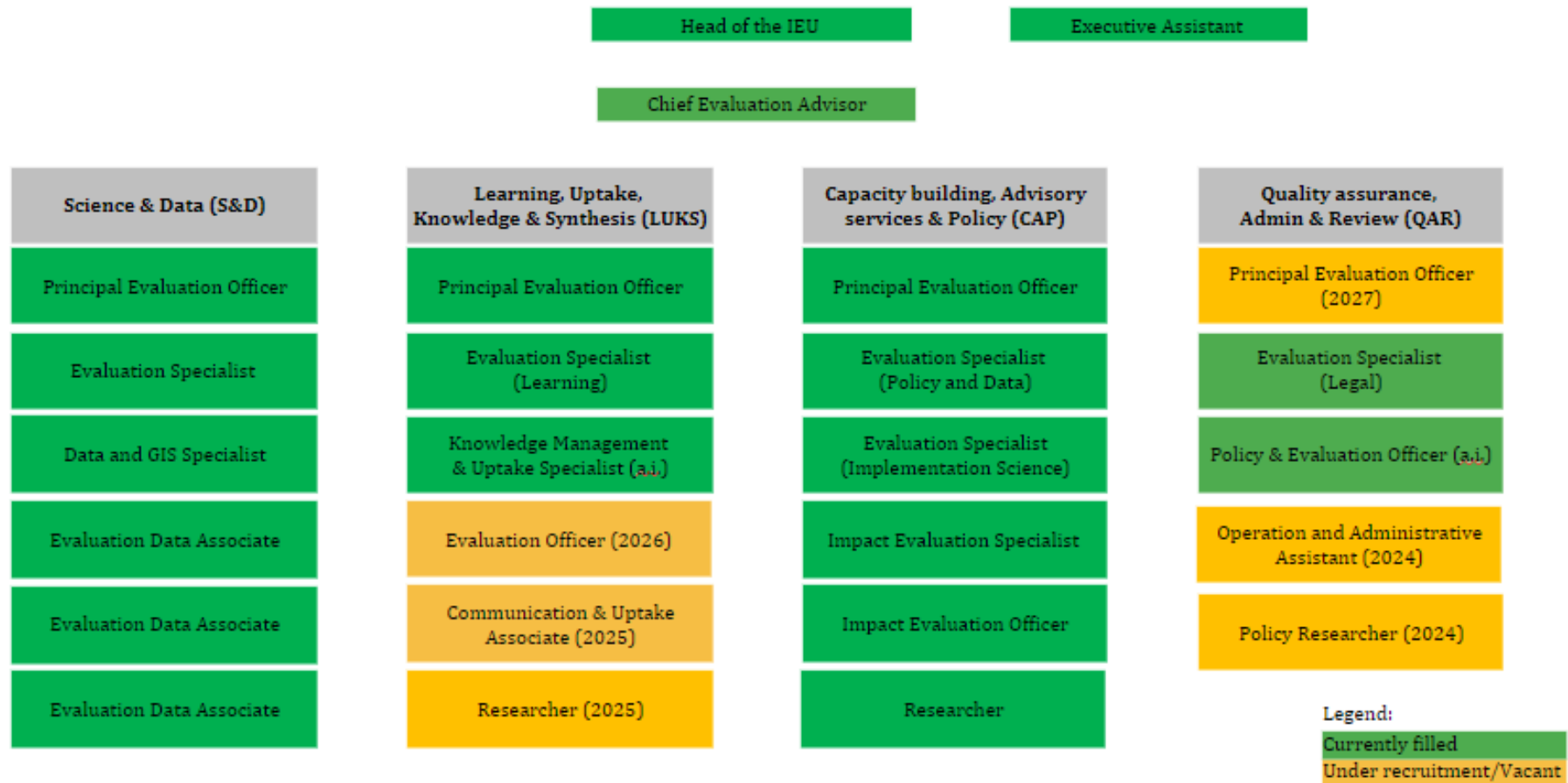
No.	Aim and objectives	Outputs
		<ul style="list-style-type: none"> <li>[revised] An IEU annual report will be produced and disseminated every year, <del>commencing in 2018</del>.<sup>25</sup> The annual report will be produced in time for every first Board meeting of a year, for the previous calendar year. For every other Board meeting, the IEU will present on the activities of the Unit through an activity report.</li> </ul>

*Table 2. IEU's proposed staffing schedule (2024–2027)*

IEU	2024	2025	2026 (indicative)	2027 (indicative)
Staff (professional and administrative)	22	24	25	26
HQ consultants	5	2	1	0
Interns	4	4	4	4

<sup>25</sup> Board document GCF/B.31/14, annex I.

**Figure 1. The IEU's structure and organogram (as of 20 September 2024)**



**Table 3. Annual budgets of other independent evaluation offices in 2023**

	UNDP IEO	AFDB IDEV	WFP IEO	GEF IEO	IFAD IOE	WBG IEG	GCF IEU
<b>Annual Budget (USD)</b>	\$14.42 million	UA 7.48 million (which amounts to \$10.14 million)	\$30.61 million	\$5.48 million	\$6.11 million	\$39.6 million	\$6.93 million
<b>Budget related rules</b>	<p>\$1.41 million increase from FY22.</p> <p>The IEO aims to reach the anticipated \$16 million target in fiscal year 2024.</p>	<p>In the approved 2022–2024 work programme, it was agreed that in 2022, the IDEV budget would receive a one-off increase of 2% as compared to its 2021 budget, to compensate for inflation, and that it would remain constant in nominal terms in 2023 and 2024.</p>	<p>A slight dip in 2023 reflects a drop in the number of decentralized evaluations planned and the reduced level of confirmed contributions to the multi-donor trust fund for impact evaluation.</p>	<p>Execution of the GEF-7 total budget was lower than expected primarily because of lower travel costs due to the COVID-19 pandemic and the departure of three Evaluation Analysts.</p>	<p>\$0.26 million increase from FY22.</p>	<p>IEG’s budget request for FY23 represents a small decrease in real terms for efficiency savings (0.4%) compared to FY22 and a net nominal increase of 5% for price factor.</p>	<p>The IEU’s requested budget in 2023 represents a 6.89% increase over its 2022 budget, including the Secretariat’s charge back. Most of the overall budget increase is accounted for by a 10.47% increase in the cost of human resources.</p>

*Note:* UNDP IEO = Independent Evaluation Office of the United Nations Development Programme; AFDB IDEV = Independent Development Evaluation at the African Development Bank; WFP IEO = Independent Evaluation Office of the World Food Programme; GEF IEO = Independent Evaluation Office of the Global Environment Facility; IFAD IOE = Independent Office of Evaluation of the International Fund for Agricultural Development; WBG IEG = Independent Evaluation Group of the World Bank Group.