

Comments and Analysis:

Initial Results Management Framework of the Fund: GCF/B.07/04

Summary Review Note for the 7th meeting of the Green Climate Fund (GCF)

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1. Introduction

Ultimately the GCF is intended to promote the paradigm shift towards low emission and climate-resilient development pathways by providing support to developing countries to limit or reduce their greenhouse gas emissions and to adapt to the impacts of climate change, taking into account the needs of those developing countries particularly vulnerable to the adverse effects of climate change¹. The Results Management Framework (RMF) is intended to measure the achievement against this objective.

At the 5th Board meeting, there were fourteen results areas proposed², but there was no decision made at the 6th meeting in February. This particular topic has proven to be a difficult for the Board to reach a decision on, underlining the difficulties in evaluating the various results mandated by the Governing Instrument³. GCF/B.07/04 presents the proposed elements of the RMF for the Board to decide upon at the 7th meeting, and seeks to draw on the experience of the Climate Investment Funds (CIF), Global Environment Facility (GEF), Adaptation Fund, and other UNFCCC programmes.

A learning dimension is expressly envisioned for the RMF, and the indicators that are contained therein are designed to be gender-sensitive, balancing quantitative with qualitative measures as appropriate. The proposed RMF is also designed to reflect a compromise between the complexity of projects/programmes, and the limited capacity of many countries to monitor and report on such interventions. The monitoring programme is intended to be undertaken in a participatory manner with the involvement of stakeholders through a combination of quantifiable indicators complemented by periodic qualitative monitoring through focus groups, interviews and questionnaires.

2. Mitigation & Adaptation Logic Models

2.1 Overview

The logic model sets out how inputs and activities lead to results achieved at the project/programme, country, strategic impact and paradigm shift levels. The table below describes each level of the logic model and indicates the estimated time required to achieve the relevant results from the time of project inception:

Level	Description	Time required
Input level	Fund grants/concessional loans and human effort	start of intervention
Activity level	Direct services provided through Fund investments	short-term
Project/programme output level	Changes achieved as a result of project/programme outputs	short-term
Project/programme outcome level (country level)	Aggregate changes identified in country policy/planning documents	medium to long-term
Impact level (strategic level)	Aggregate changes achieved in the Fund's key strategic result areas	long term
Paradigm shift objective level	Changes achieved, i.e. all facets of society are demanding and integrating low-emission and climate-resilient approaches to sustainable development	long term (15 yrs+)

¹ See the Governing Instrument for the Green Climate Fund, paras. 2.

² See Business Model Framework Results Management Framework, B.05/03, Paras.(a) – (n) – available at http://gcfund.net/fileadmin/00_customer/documents/MOB201406-7th/GCF_B07_04_Initial_Results_Management_Framework_fin_20140509.pdf

³ See the Governing Instrument for the Green Climate Fund, paras. 2, 3, 57 & 58

The Report then goes on to outline the steps required to create a shift towards low-emission development pathways, and increased climate-resilient sustainable development. (Elaborated in the Report's Annexes II for Mitigation & III for Adaptation). Strategic areas are outlined for each theme include;

- **Mitigation** (drawn from mitigation interventions in the GEF and CIF programmes in which emission reductions resulted from investments in renewable energies, energy efficiency and forestry projects)
 - i. Increased low-emission energy access and power generation;
 - ii. Increased access to low-emission transport;
 - iii. Increased energy-efficiency in buildings, cities and industries; and
 - iv. Sustainable land use and forest management, including REDD+
- **Adaptation** –
 - i. Increased resilience and enhanced livelihoods of the most vulnerable people, communities and regions;
 - ii. Increased resilience of health and well-being, and food and water security;
 - iii. Increased resilience of infrastructure and the built environment to climate change threats; and
 - iv. Improved resilience of ecosystems.

Comments & Consideration

- **Better definition of high-level paradigm shift objectives** – for both the initial mitigation and the adaptation logic models the top-level objective is detailed as a 'paradigm shift', yet there is still further elaboration of the term required. Definitional issues will have a potential impact on the measurement of activities, and deeper understanding of ambitious results will be needed. A 'paradigm shift' can also be construed as rather ambitious objective, and will therefore require both adequate financing and ample time to ensure that activities achieve such an aspiring objective. The required performance to achieve a paradigm shift may prove challenging for the Least Developed Countries (LDCs) and Small Island Developing States (SIDSs), and the Board may wish to consider that the 'paradigm shift' object and the allotted time bound horizon indicated in the logic model may be incongruous.
- **Use of a Theory of Change** – a proposed causal pathway for the achievement of results is indeed presented, but there is still further opportunity for the logic models to incorporate a full theory of change approach. As the logic models currently stand, they are likely to lead to more of results based approach that has a relatively narrow focus on inputs and outputs, without the use of narratives, which is less useful for learning purposes. The linkages between different levels of results – indicative activities, outputs, outcomes -are not made clear for the project/programmes. These relationships are important to determine attribution of achieved outcomes with GCF inputs.
- **Closer alignment of approval criteria and the logic models** - project proposal approvals are to be agreed by the Board (or the Secretariat) based on the fulfilment of certain criteria. The future funding for these projects/programmes will be founded on the outcomes. As such, it follows that the evaluation of a project/programme should be on the same set criteria in order to determine that the intervention achieved the intended results.
- **Explicit inclusion of poverty reduction in adaptation logic model** – the strategic level impacts omits a specific reference to poverty reduction (although there is an express mention of improved livelihoods.)
- **Recipient countries should determine adaptation their own options** - the adaptation logic model is silent on the types of adaptation, for example deficit, incremental and

transformative. Developing countries should be given the opportunity demarcate their own adaptation objectives.

- **Better integration of learning** – whilst it is encouraging to see that the importance of learning is acknowledged in GCF/B.07/04, this is not reflected in the initial logic models (or indeed in the set of indicators for either mitigation or adaptation), which seems to suggest that learning would be more of a by-product of the RMF as opposed to being clearly defined mechanism. Whilst there is a knowledge sharing section in the Report that goes some way in outlining how a system may look, there is room for further elaboration and closer integration to ensure to lessons are incorporated from monitoring and evaluation into decisions that can then improve Fund effectiveness. (Knowledge sharing is also framed from a ‘projectised’ perspective, and does not appear to take account of a more programmatic approach.)

3. Performance measurement framework

3.1 Overview

The Performance Measurement Framework (PMF) seeks to measure both mitigation and adaptation interventions. For mitigation there are three core indicators, and further four that will be selected based on the scope of the intervention. It is envisaged that the information gathered will contribute to the development of a global marginal abatement curve (MAC). A global MAC could provide useful guidance regarding cost-effective approaches to greenhouse gas (GHG) emission reduction.

The proposed PMF for adaptation presents indicators that were developed following consultation with key performance measurement staff at Climate Investment Funds (CIFs), the Global Environment Facility (GEF), and the Adaptation Fund. None of the agencies have managed to measure strategic-level results due to the intricacies of doing so, and in part due to the fact that GEF projects have not reached mid-term yet. The Adaptation Fund has only recently adopted a results-oriented approach in 2010, and CIF monitoring function does not have the resources, capacity or time horizon to measure its adaptation impact-level results. Consequently, programmatic and transformative adaptation needs are not well developed in the list of indicators, and the integration of adaptation is not conceived as being part of the national development planning systems in the adaptation PMF.

Given both the expanded financial and geographical scale of the GCF, the indicators have been designed to accommodate this wider scope of intervention. It is proposed that qualitative and quantitative adaptation indicators be included in the PMF. These will be indicators that have been successfully measured (e.g. the Pilot Program for Climate Resilience (PPCR) government policy and capacity indicators) or indicators that have been recently redesigned based on measurement experience (e.g. Adaptation Fund indicators and the GEF’s proposed changes awaiting imminent approval by its Board). It is proposed that the Fund also explore using the Independent Evaluation Unit (IEU) to do the same for the Fund investments.

The performance measurement process will be the responsibility of the Secretariat, and the accredited IEs and intermediaries, and EEs. Upon the approval of the initial results management framework by the Board, the Secretariat will develop, in consultation with the IEs and intermediaries, a performance-monitoring plan that clarifies the respective roles and responsibilities. But, acknowledging that there may be gaps in capacity for reporting, support for capacity-building on results measurement will offered to ensure the reliability of performance measurement data. It is also proposed that knowledge sharing should take place that draws for on-the-ground success cases and experiences.

The PMF is an important tool for results-based or performance-based allocation. It is proposed however that the Fund's resource allocation process should evolve over the course of the first few years of operation, drawing on its experience in generating results and its lessons learned. There are three major points in time for the collection of result information that could inform allocation decisions:

- i. **Regular performance measurement** - using PMF to generate timely feedback on project progress for reporting and to enhance management decision-making;
- ii. **Impact assessment** - at the end of a project/ programme; and
- iii. **Evaluation covering multiple project or programme results** - assessing the level of results achievement, while also addressing broader contextual matters, such as relevance, coherence, country context and efficiency of implementation over a longer timeframe

Comments & Consideration

- **Incorporate adaptation indicators already being measured by countries**- specific vulnerability indicators that are already being measured within the national systems of some countries could be used instead of a set of pre-formulated indicators. This will allow for a more flexible and targeted approach to the monitoring and evaluating that is country driven.
- **Adaptation indicators need to be more comprehensive** – there appear to be a number of key elements missing from the adaptation PMF; major sectors as such as energy and transport are not mentioned. The indicators also omit technology transfer.
- **Climate resilient development should be measured** - There is an indicator to measure the degree of mainstreaming of climate change in national and sector planning, but overall there is a heavy leaning towards the aggregation of project-level activities, and less on changes in policy. For both mitigation and adaptation, there is a heavy bias towards quantitative indicators as well, which leaves little room for the inclusion of narratives. Climate resilient development could be measured by tracking progress within the national systems in mainstreaming climate risk management. The RMF could also seek to measure how effective it is in financing the transition to climate resilient green economies.
- **Further elaboration is needed of roles and responsibilities or measuring and evaluation activities** – whilst it is stated in GCF/B.07/04 that the roles and responsibilities will be clearly delineated, there is no practical direction on how the monitoring and evaluation processes at the different results level will be brought together to assess impacts at a higher level. This could be an area that is discussed at the 7th Board meeting and integrated into any decisions.
- **Improved scope to measure co-benefits is needed** - There is also limited scope for the inclusion of co-benefits in the indicators; there is the provision that mitigation interventions funded by the Fund report on at least one co-benefit, and it is assumed that all adaptation interventions will contribute to foster socioeconomic development, and such there is no indicator to measure this.
- **Results-based allocation may undermine the intended paradigm shift** – the Board should be mindful that this results-based allocation might encourage a 'project-centric' approach, with a focus on relatively straightforward adaptation measures that are easy to measure. This may discourage a more transformative approach to adaptation.