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# Development of the GCF's integrated and coherent results management framework

## Inception Report

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Prepared for //  
The Green Climate Fund

Date // 8<sup>th</sup> July 2019

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## List of acronyms

AE	Accredited entities
CDM	Clean Development Mechanism
CIF	Climate Investment Funds
COP	Conference of Parties
FAO	Food and Agriculture Organization
GCF	Green Climate Fund
GEF	Global Environment Facility
ICS	Investment Criteria Scorecard
IEG	Independent Evaluation Group (World Bank)
IEU	Independent Evaluation Unit (Green Climate Fund)
IF	Investment Framework
LDCF	Least Developed Countries Fund
MEL	Monitoring, Learning and Evaluation
MRV	Measurement Reporting Verification
NAMA	Nationally Appropriate Mitigation Actions
NDAs	National Designated Authorities
NDC	Nationally Determined Contributions
RBM	Results Based Management
RMF	Results management framework
PMFs	Performance Measurement Frameworks
SCCF	Special Climate Change Fund
SDGs	Sustainable Development Goals
TOC	Theory of Change
UNFCCC	United Nations Framework Convention on Climate Change

## Acknowledgements

This inception report is the first output prepared by IOD PARC, as part of the project to review the Green Climate Fund's Results Management Framework. IOD PARC team ("the team") consists of Mark Keen (Director), Rocio Sanz Cortes (Team Leader), Ronnie MacPherson (Mitigation expert), and Joss Swennenhuis (Adaptation expert).

This inception report shows the early findings of the project, and is based on a collaborative consultation process. The team would like to thank all parties that have been consulted for this report. In particular, the team would like to thank the Secretariat of the Green Climate Fund, Board Members, Alternate Board Members, Advisors to Board Members and Alternates, Regional Advisors, National Designated Authorities (NDAs), Accredited Entities (AEs) and all other stakeholders for participating in the consultations and interviews.

The team would like to especially thank Rajib Ghosal, Gibum Choi, Jihyeon Jeong, Linus Hong, Vladislav Arnaoudov and Sohail Malik from the Office of Portfolio Management for their guidance and support.

## Summary

This document provides a summary of the early findings of the assignment, which aims to develop an integrated and coherent 'fit-for-purpose' results management framework (RMF) for the Green Climate Fund (GCF). The project started in June 2019 and is expected to be completed in April 2020. The project objectives are to design a new integrated RMF; align and integrate the RMF, Performance Measurement Frameworks (PMFs) and relevant components of the Investment Framework (IF); and initiate the processes required to embed the results management architecture within the Secretariat, AEs and NDAs.

The work will be conducted with the following phases: Phase 1 (June 2019-July 2019): Consultations with the GCF Secretariat and a review of internal and external literature; Phase 2 (July 2019- August 2019): Consultations with key stakeholders; Phase 3 (August 2019-November 2019): Development of a coherent and integrated RMF; Phase 4 (November 2019-December 2019): Validation of refined RMF and roll out plan; and Phase 5 (January 2020-April 2020): Development of protocols, guidelines and methodology.

The key findings at this early stage include:

- a) There is a clear demand and drive to develop an operational and 'system wide' results management system. Previously most efforts focused on the design of indicators. There is now a need to develop an overarching results framework with clear and multiple causal pathways to impact and a robust measurement, reporting, verification (MRV) system, making transformational change a priority. The new RMF should be based on the overarching logic of the Fund's Theory of Change (TOC), rather than treating indicators as the starting point.
- b) There are limited approaches to measurement/assessment for both mitigation and adaptation, as well as transformational change and paradigm shift. Both quantitative and qualitative indicators need to be developed. Developing robust qualitative indicators will facilitate organisational learning, knowledge management and capacity building.
- c) There is a lack of alignment between the RMF and external developments. The new RMF should be linked to the Paris Agreement and Sustainable Development Goals (SDGs), including alignment with the Paris articles focusing on knowledge management and capacity building.
- d) There is a lack of alignment between RMF/PMFs and IF. A potential for linking the RMF/PMFs and the IF within a consolidated framework will be explored, starting with the Investment Criteria Scorecard (ICS) work and the recently documented Fund-level TOC.
- e) RMF/PMFs are not embedded across institutional processes. The RMF should be developed within the GCF's broader work on operational excellence.

## 1. Introduction

The goal of the GCF is to make a significant and ambitious contribution to the global efforts towards attaining the goals set by the international community to combat climate change. Results-based management (RBM) is a key tool for achieving development effectiveness. It provides a definition of results — what will be achieved or influenced through diverse and innovative financial investments or interventions — involves the identification of clear objectives, helps monitor progress toward these, and provides feedback and data to enable effective management, adjustment and corrective action of program or project implementation. It should be a living management tool and one which fosters ownership and consensus, facilitates coordination of development efforts, and helps chart the course towards achieving objectives.

A coherent and fully functioning integrated RMF will allow the GCF and implementing partners to effectively define, measure, report and verify the results of their funded activities. It will enable accountability for investments and facilitate real-time programme learning and inform project, programme and fund level assessments and/or evaluations. It will allow for tracking of progress against portfolio level goals and support an understanding of the progress being made towards the Fund's overall objective of promoting a paradigm shift towards low emissions climate resilient development and the implementation of the Paris Agreement and the United Nations Framework Convention on Climate Change (UNFCCC) Parties' Nationally Determined Contributions (NDCs).

A strong cohesive, well understood and resourced results management architecture will help define, track and communicate how the causal linkages underpinning GCF activities have contributed towards the long-term goals of the organization; what has worked and why.

This inception report is the first element of a consultancy, which aims to develop an integrated, and coherent 'fit-for-purpose' RMF for the GCF. It provides an outline of the assignment objectives and approach, including changes from what was proposed. It gives an overview of sector literature and of how the GCF results architecture has evolved. A brief assessment of the challenges and opportunities this initiative faces highlights the technical and organisational issues to be addressed. Finally, it outlines some initial design proposals the team will take forward in developing a conceptually sound practical framework.

## 2. Objectives and Approach

The terms of reference for this consultancy draw heavily from a review of the GCF's results management framework undertaken by GCF's Independent Evaluation Unit (IEU).

This review highlighted both technical and institutional issues. It praised the current results framework for helping countries identify appropriate results areas aligned to both country and GCF objectives and for providing a flexible menu of core, impact and outcome indicators that each country could select from. It was critical, though, of the limited definition and guidance on how to use and measure indicators and the lack of an overall conceptual framework, which enabled GCF to show how it contributes to its overall goal of paradigm shift. The results architecture was lacking integration as it was made up of a number of different and unaligned frameworks. There were conceptual and operational tensions between the approaches taken in the RMF and those in the PMFs and the IF. These have been developed at different times and by different organisational units and led to often competing organisational

processes and incentives and lack of clarity for AEs, donors and other relevant stakeholders.

The main objectives of this assignment are partly a response to these findings and include:

- The design of a new integrated RMF, based on strong TOCs, particularly the newly designed Fund – level TOC, and including SMART indicators, which can assess progress towards results, and show how the GCF portfolio is contributing toward wider goals.
- To align and bring together the GCF results architecture through the integration of the RMF, the PMFs and relevant components of the IF, and the new Fund-level TOC. It should also wherever possible be aligned and coherent with the results approaches of other comparable climate finance delivery channels and climate change actors.
- Initiating the organisational and institutional processes required to embed the results management architecture within both the Secretariat but also within the broader GCF context with AEs and NDAs. This will include the provision of monitoring and measurement protocols, tools and guidelines but also the clarification of roles and responsibilities of relevant organisational units and the identification of individual and organisational learning and capacity needs of GCF staff, AEs, and NDAs.

IOD PARC's approach to this assignment has been to develop a methodology, which addresses and combines both the technical design and institutional elements of these objectives. Central is a collaborative and participatory approach to ensure the perspectives of all stakeholders are 'heard' and a shared understanding of concepts, definitions and expectations of roles and responsibilities emerges as the framework develops and is finalised.

This work has five different phases and was originally due to start in May 2019 and complete in April 2020, though the bulk of the work is in the first few months. The assignment has been contracted a month later than initially intended and given the fixed deadline of presenting a framework to B.24, elements of phase 1 and 2 have had to be done in parallel.

The consultancy team are aware that the tighter timescale raises anxiety levels, but it is important, if there is to be commitment and buy-in to the outcome, that the right process is still followed. The teams' experience from designing frameworks in this and other sectors is that there is a tendency to try and rush the process with 'experts' putting together a framework in isolation and then trying to 'sell-it' later. The danger of this is the framework (and associated indicators, measurement protocols, guidelines, tools) becomes too technical, is not fully understood or agreed with and then becomes difficult to effectively operationalise.

**Phase 1 (June 2019-July 2019): Consultations with the GCF Secretariat and a review of internal and external literature** – The aim of this phase is to get a greater understanding of GCF's context, how its results architecture has developed and the challenges and opportunities for the design and implementation of a new RMF. This inception report is the initial output of phase 1.

**Phase 2 (July 2019- August 2019): Consultations with key stakeholders** including GCF Board Members/Alternate Board Members, advisors to the Board, key contributors, AEs, and country level actors. This phase is focused on both

understanding the different views on the role and purpose of the PMFs and generating ideas as to how the causal chains from project identification and design through to global paradigm shift can be coherently mapped out to allow for the design of a comprehensive yet simple results architecture. This consultation includes discussions around the 23<sup>rd</sup> meeting of the Board in Songdo in July 2019, three country visits (Georgia, Namibia and Colombia), remote interviews, online surveys, a presentation of a high-level conceptual framework and an outline proposal to the Secretariat and Executive Director of GCF by July 2019.

**Phase 3 (August 2019-November 2019): Development of a coherent and integrated RMF** – this focuses on developing a paper, which is planned to be presented to the Board at the 24<sup>th</sup> meeting of the Board on November 12<sup>th</sup>-14<sup>th</sup> 2019. Based on feedback on the high-level framework, a more detailed and integrated RMF will be developed. This will draw from the newly developed Fund – level TOC and outline how the results of both mitigation and adaptation projects/programmes can be measured and the multiple causal pathways identified which show how project and programme results can contribute to transformational change and paradigm shift. The initial detailed framework will be drafted for late August and then refined, based on feedback, into a document to be presented to the Board. This paper is due 24<sup>th</sup> September 2019, although this date might be revised and aligned with the new date for the Board meeting proposed in November 2019. This paper will include recommendations on what type of measurement systems could be used for an effective RBM for cross-cutting mitigation and adaptation areas. It will also include high-level recommendations on the organisational and institutional requirements for an effective results architecture. This will include roles, responsibilities and resources, as well as areas where coherence is required with other organisational processes and MRV instruments. The feedback process is likely to involve further consultations with the Secretariat and the use of an online questionnaire to a broader stakeholder audience.

**Phase 4 (November 2019-December 2019): Validation of refined RMF and roll out plan** – It is hoped that the 24<sup>th</sup> meeting of the Board will provide approval or take note of the high-level framework. Any revisions will then be undertaken and a more detailed phased plan of how the new RMF can be rolled out put together. This process is expected to last from November until December 2019 and may well include recommendations on piloting the framework by undertaking sample baseline assessments and RMF capacity assessments.

**Phase 5 (January 2020-April 2020): Development of protocols, guidelines and methodology** – This will involve developing the tools required to ensure all relevant stakeholders understand the results-based approach and operationalise the methodology. This is likely to involve the design and deliver of training packages and writing simple and easily accessible guidelines and protocols. This work will be undertaken between January and April 2020 and will need to be appropriate and tailored to different units/organisations in the system but with a focus on the Secretariat, AEs and NDAs. The specific mediums and methods required for this phase are likely to more clearly emerge during phases 3 and 4.

### 3. Review of Literature

The team has undertaken an initial light touch review of internal and external literature. Given the shortened time span this has not been as extensive as initially planned and the team expects to continue to review more documentation as they continue the inquiry processes laid out in phases 2 and 3. The team has reviewed

internal GCF reports and Board documentation and a selection of external documentation (see references section) and some clear themes have emerged. This section focuses primarily on sector wide issues; a more specific assessment of these issues for GCF is undertaken in the later section looking at opportunities and challenges.

### *3.1 Limited definition, shared understanding or measurement of Paradigm Shift or Transformational Change*

Most documents acknowledge the importance of identifying pathways to a paradigm shift and to transformational change, yet all agree in the climate change sector there is little shared understanding/agreement of what these are, whether they are the same or different and how to measure them.

There are many theories, frameworks and approaches that provide insights on transformation. There is a need for transformation at the systems level (University of Oslo, 2013) in the climate change sector, in a way that allows for multi-faceted, complex, long-term goal accomplishments. At present, transformational change or paradigm shift seems to predominantly be assessed based purely on the scale of results achieved, however it seems to be a subjective judgment as to when scale becomes transformative. Conventional climate assessment approaches and methods show many limitations if they are to provide robust knowledge and support to the implementation of solutions in practice (Tabara et al., 2019). The continuously shifting baselines of climate change also make it more difficult to measure transformation of climate change interventions, especially the high-impact result areas and the associated indicators. The alternatives often presented seem to rely on ex-ante evaluation to assess whether transformational change has been achieved or a paradigm shift created and what it looks like.

If the focus is on an increase in scale the challenge from a monitoring perspective is to understand both direct results – so focus on methods that capture outputs which come directly from interventions; or to look at leveraged or indirect results so for example either additional finance committed to the same initiative, or to assess how interventions have influenced or catalysed others into replicating or taking up pilots or demonstrations. These approaches tend to focus either on contribution or creating algorithms/econometric models which apportion contribution, so allocating an intervention an ‘attributable slice’ of overall results.

A different definition used by Food and Agriculture Organization of the United Nations (FAO) sees paradigm shift as ‘a shift in discourse, attitudes, power relations, policy and action that leads policy formulation and action away from business as usual’ (Brockhaus et al, 2016). This is probably the closest to conventional change management definitions of paradigm shift and captures the systemic nature of transformational change and what makes it different.

Taking a systems change approach means looking beyond outputs and outcomes and at the processes and changes in behaviours and attitudes that lead to them. The main approach to this is to create a model of what transformational change involves/what are its component parts and then track progress towards them.

The usual process is to identify interim outcomes (often process based, qualitative or a composite score/scale across a range of factors). These show how project outputs can feed into the broader system level paradigm shifts. In system level change, the closer you get to ‘high level’ outcomes the less ‘attribution’ becomes useful as it potentially undermines the ownership and skills transfer to local actors that is likely to lead to sustainable country level change.

These interim outcomes are in essence a ‘model’ (which can then be evaluated) of what is required for change to happen. Where it differs is it provides a pathway beyond demonstration of an effective project as to how either a) a project might be scaled up – which will require vertical scale up as well as replication or scale out; and b) shows how indirect or ‘influencing’ activities – such as capacity building and policy/strategy change can both be targeted and effectively monitored as they aim to contribute to systems change. A key shift in thinking when tracking and evaluating catalytic activity is to not look at counterfactuals as evidence of ‘attribution’ but to ask the question ‘would high level changes have occurred without this specific intervention?’ and to focus on why it has impact and what contribution it made.

The Independent Evaluation Group (IEG) at the World Bank have done some work in the climate sector developing a model which looked at local relevance, depth of change (system change – though this not explicitly defined, or factors identified), scale of change (process – catalytic, demonstration, acceleration – as well as output) and sustainability (evidence beyond intervention) (IEG, 2016). The Global Environment Facility (GEF) uses a capacity scorecard, which tracks the systems capability to deliver sustainable transformational change (GEF, 2018).

One issue highlighted about paradigm shift is whether it can be an evolutionary process – in effect, only you do not realise it is a paradigm shift until you see/measure it; or whether it involves a major, very clear step change – this requires clear driving forces which create an incentive (e.g. sanitation in India) and/or and maybe more powerfully a real and experienced threat/danger/shock which shows the impact of no change happening.

In the climate change discourse, there seems to be a creative tension between these two – how much do we gradually change and adapt what we do related to climate change; versus how much do we need to be ‘shocked’ – see a huge shift – due to the magnitude of the issue.

It is questionable to what degree you can predict either the outcome or process of transformational change/paradigm shift – so to what degree do you have a unified single theory (set of coordinated coherent interventions) or whether you track and set in motion a set of emergent processes (so for example, multiple but different investments) which you review and extend based on what changes/results seem to be emerging.

### *3.2. Greater focus on indicator design rather than overall Results Management Framework*

Throughout the sector literature there seems to be a greater focus on designing indicators and less on the conceptual architecture in which they sit. This seems to draw from the strong MRV mechanism that has been developed to monitor climate mitigation activities.

Much of the literature in the sector seen so far seems to implicitly assume the primacy of a deductive approach where objective, isolated ‘project results’ can be and are aggregated up through linear causal pathways to equate to programme wide results. So, though there is an acceptance that a results framework should be built from an overarching TOC, in practice the pathways seem to flow upwards. This means what is tracked is often restricted to what is easily and comfortably quantitatively measured and a desire to look at attribution using pathways that are isolated from the context in which they operate. This tends to see a similar gap in sector – specific TOCs to those normally associated with logframes, where linking activities to broader changes relies on an inductive leap from outputs to systemic

outcomes. Also, an important consideration is that TOCs designed for climate change projects may lack a complete results chain, given the complex nature and the high number of intervening factors. This ‘missing middle’ refers to the gap in the TOCs between activities/outputs and how these lead to the achievement of high-level goals (Bours et al., 2014).

In designing a systems driven TOC a different approach is normally taken where you ‘work with’ rather than ‘isolate from’ system variables. It is central to work with a ‘top down’ approach, keeping the following questions as guidance for the design:

- What changes are we trying to achieve?
- How do we think this change will happen – what is our model of change? For example: will change happen through demonstration and then scale out/scale up; is creating an enabling environment central to changing the paradigm?
- How do we know if this change process is on track – what indicators of change are there and how do we assess these? Are there objective measures or do we need to get collective subjective opinions, if we do how many are enough for ‘hermeneutic’ objectivity?
- What actors are able to contribute to system level change?
- What contribution will a GCF investment make – how do we clearly link that to indicators of change? There are likely to be multiple causal pathways laid out – so one intervention might be looking to influence change across a range of intermediate outcome areas.

### *3.3. Significant methodological differences in approaches to monitoring adaptation and mitigation*

Although mitigation and adaptation are clearly interrelated elements of addressing climate change, they are currently treated quite differently in terms of results management.

Mitigation outcomes can be objectively measured and are not context specific. They have universal applicability, and a uniform effect so can be aggregated and compared across the globe. However, even aggregation at the portfolio level is challenging, given the close to 200 approved methodologies, and considering that methodologies applicable for similar technologies show conceptual differences, making aggregation challenging (Michaelowa, 2012). In the GCF context, there are over 70% AE specific methodologies in mitigation, making it even more challenging to aggregate at the portfolio level.

Adaptation measures are country-specific and sector-specific, with limited comparability and depend on definition and operationalisation. There are no common metrics for adaptation. Adaptation approaches are, in general, still evolving but work has been done on establishing approaches and composite qualitative indicators which do try and measure levels of resilience and the enabling environment which helps drive system change.

M&E approaches to assessing mitigation are well established and there are common methodologies and protocols for measurement. The ontological and epistemological assumptions though underpinning these are not particularly well suited to monitoring system level change or tracking evidence or contribution to paradigm shifts. The focus on verified measurement means that there is limited evidence of

routine tracking of system wide processes or qualitative measures, which may illustrate broader institutional changes or shifts.

The implication of this for GCF and other actors in the field will be to design mixed method approaches, which are fit for purpose. So it is likely there will need to be ‘good enough’ quantitative measures that use MRV approaches at output level for adaptation, but mitigation approaches will need to increase more process-based assessments of contribution to system level change. Balancing this will rely on simplifying as much as possible the component parts and ensuring all parties understand what they are doing, their roles, and the strength and purpose of ‘evidence’ or measurement/assessments.

### *3.4. Need for shift in thinking and approach for a more appropriate balance between the accountability and learning objectives of Results based Management*

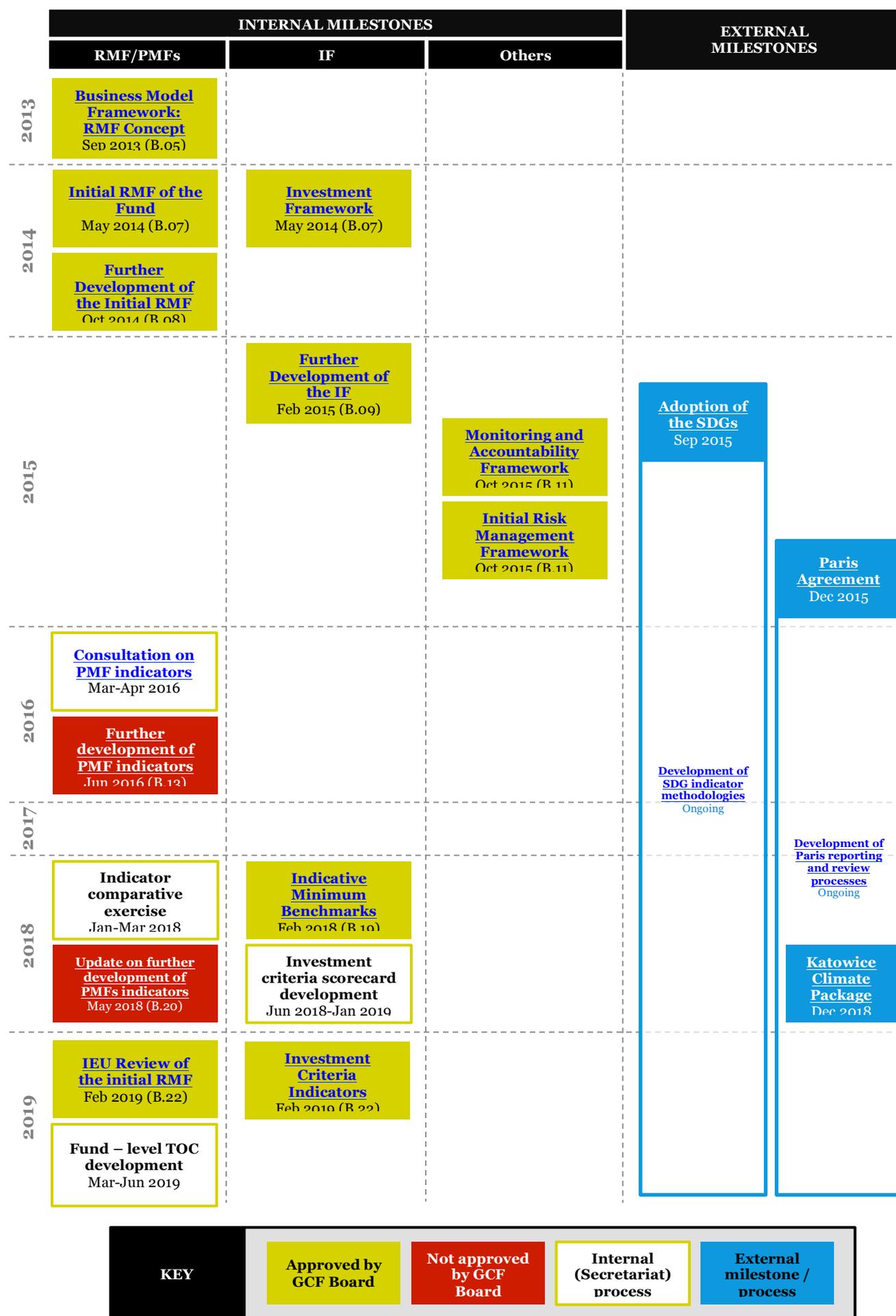
The literature highlights that the managing results agenda in the sector focuses more on accountability rather than learning. Given the complexity of climate change (adaptation in particular) it is argued (Christiansen et al., 2018) that to optimise performance the sector needs a shift in thinking so monitoring and evaluation becomes monitoring, learning and evaluation (MEL) and involves a more continuous process based on more rapid learning cycles.

Accountability approaches tend to focus on judgements and fixed points in time and are not dynamic enough to influence programme implementation. The focus of budgets as the field develops is a need to move from expensive and time consuming ‘quasi-experimental’ impact evaluations to supporting and building the capacity for more frequent internal monitoring and course correction. It also suggests that any RMF starts as simply as possible and expands over time, in a collaborative manner to capture complexity. A key element of this should be investment in capacity building and the creation of communities of learning practice.

## 4. Evolution of the GCF’s results architecture

All development of the GCF’s approach to results management must be informed by the historical processes, decisions and documents that have shaped the Fund’s current results architecture. The following timeline shown in Figure 1 summarises the key internal milestones to date and identifies major external developments that either have been or will be influential on the GCF’s approach to an integrated RMF.

Figure 1 Evolution of GCF results architecture



Aside from cataloguing the evolution of the GCF's results architecture, the timeline also helps to illustrate some key concerns that were identified during the inception phase consultations for this piece of work.

#### *4.1. The RMF is outdated*

The latest, Board-approved version of the RMF dates to October 2014. Consequently, the GCF's current results architecture predates – and therefore *does not reflect* – two major external developments that have a direct, significant bearing on the GCF's work, namely the Sustainable Development Goals (SDGs) and the Paris Agreement. The lack of alignment with the SDGs and the Paris Agreement reduces the relevance of the results data being captured by the GCF, and means that the GCF may not be well-aligned with the monitoring and reporting systems that their partners (AEs, NDAs) already have in place or are developing in response to the demands of the Paris Agreement and the SDGs.

#### *4.2. Lack of coherence across frameworks*

Another concerning aspect illustrated by the timeline is the way in which each of the GCF's results-related frameworks have developed in relative isolation from each other. There are commonalities between the frameworks, but – as well noted within the IEU's review of the RMF – the frameworks are not consistently applied and there is no coherent, institution-wide approach to results management. This lack of coherence is especially noticeable in the accounting approaches for green-house gas (GHG) reductions of mitigation. Aside from reducing the coherence of the overall results architecture, the parallel, independent development of the various frameworks has also resulted in significant missed opportunities to strengthen not just the RMF, but the GCF's approach to results overall. Most notably, the extensive work undertaken on the IF's investment criteria indicators and scorecard approach is of direct relevance and value to the RMF, yet the clear connections between the IF indicator work and the RMF have not been exploited.

#### *4.3. Inertia around RMF implies deeper institutional challenges*

Internal work has been undertaken to develop the RMF since 2014, most notably (i) a detailed round of consultation on indicators in 2016, (ii) an internal exercise in early 2018 to compare GCF indicators with the indicators of other climate finance mechanisms, and (iii) the IEU's review of the initial RMF, undertaken throughout 2018 and published in early 2019. Despite all this internal work, the RMF remains unchanged. The inertia around the RMF (particularly against the backdrop of major external pressures such as the Paris Agreement), the non-integrated approach to developing the various results-relevant frameworks, and the inconsistent application of those frameworks all suggests that the difficulties with the RMF have not just been due to the technical challenges of measuring mitigation and adaptation. Regardless of thematic focus, the development of a results architecture is dependent on robust institutional structures and processes: it is not clear that sufficient emphasis has been placed on the *institutional* requirements (within the Secretariat, within the Board, and across the GCF's various partners) that are necessary to ensure the success of an integrated results architecture. One potential reason for lack of coherence is that GCF stakeholders have different perspectives and often tacitly competing objectives. The dynamic between the developing and developed world over the causes, costs and appropriate actions to address the challenges of climate change, combined with a consensus-based decision-making model means change is likely to be difficult.

## 5. Key preliminary findings and opportunities

### 1. There is an expanding appreciation of the requirements for developing an Operational Results Management System

The great majority of work undertaken on the RMF to date has focused heavily on identifying and building consensus around appropriate indicators. Indeed, the RMF's development has primarily been *driven* by this focus on indicators. While indicators are an essential component of any results framework, they are not the only component.

An equally important component – and ordinarily the starting point for and main driver of a results framework – is the definition of an intervention's overarching results logic and pathways to impact. The GCF's focus on the detail and intricacies of indicators has shifted effort and resources away from work that is equally if not more important to the development of a robust results architecture. Also, the MRV approaches and methodologies are an important missing piece in the GCF results architecture. Without these MRV approaches, it is not possible to operationalize the RBM and use it consistently.

There is a need for a broad organisational assessment of the Secretariat (and its relation to the Board) to:

- (a) Ensure RBM is fully integrated in the organisation with clear roles and responsibilities and enough capacity for quality assurance and analysis of results reported.
- (b) Ensure that reported results are fed into a clear learning process to improve performance of the GCF (AEs should be included in the learning process). This requires a cultural/behavioural change process and is likely to require external support.

It will also be important that there is clarity on expected budgets and roles and responsibilities for evaluations. At present independent interim and final evaluations are supposed to be organised by the AEs but with Terms of Reference and consultants to be approved by GCF. It is not clear how far this is already standing practice and whether these activities are appropriately costed. AEs will also need enough capacity and resources to both understand and operationalise qualitative and quantitative data collection and reporting, so light touch assessments to ensure this is in place will support effective routine monitoring.

**OPPORTUNITY: Rebuild the RMF based on the overarching logic of the Fund's pathways to impact (the TOC), rather than treating indicators as the starting point. This should include exploration of alternative measurement approaches that go beyond indicators, particularly where assessment of qualitative progress is required.**

### 2. TOCs are underdeveloped

The current adaptation and mitigation logic models (as approved through B.07) are basic, very high-level and do not express the GCF's expected pathways to impact in any substantive detail. As with the broader B.07 document, the logic models also predate major external influences such as the SDGs and Paris Agreement. Consequently, these 'old' logic models do not reflect the GCF's current operating

environment, nor do they reflect the GCF's current expected results and strategic priorities. In any case, logic models were never sufficiently detailed to fulfil a core function of a TOC, namely providing a strong foundation for the development of indicators and other measurement approaches. This shortcoming of the logic models could partly explain why the development of indicators has been so problematic for the GCF.

More recently, a fund-level TOC has been developed by the GCF Secretariat (latest version is June 2019). Although not approved by the Board as yet, the new TOC represents a marked improvement on the previous versions, is better aligned with the GCF's current operating context, and – due to be significantly more detailed – should provide a stronger foundation for informing the development of indicators and other measurement approaches. At the same time, the new TOC is still relatively light on detail around the pathways to impact, particularly from output to outcome level, and from outcome to impact level. The new TOC shows relatively little information on multiple causal linkages, which is important for the paradigm shift, and to show how and why a change at a high level is desired.

**OPPORTUNITY: Review and refine the 'new' TOC – particularly around intermediate outcomes and multiple causal pathways to impact – so that it can better inform the development of indicators and other measurement approaches.**

### **3. There are limited approaches to measurement – mitigation and adaptation, transformational change and paradigm shift**

Within the work to develop indicators, there has been a particular focus on identifying quantitative (as opposed to qualitative) indicators and – partly as a result of this focus – arguably more progress has been made in developing mitigation (as opposed to adaptation) indicators. To an extent this is understandable: there is considerably more international consensus around mitigation MRVs, partly due to the existence of well-developed, relatively rigorous approaches such as the GHG Protocol or the Clean Development Mechanism (CDM). However, there is a risk that the relative success of mitigation MRVs has raised expectations that similar methods can be developed and applied across *other* aspects of GCF-relevant work. But quantitative methods almost certainly need to be supported or even *supplanted* by qualitative methods when it comes to many aspects of adaptation *and* many aspects of mitigation (for example policy / enabling environments, institutional, technical capacities and behavioural change). It is also important to note that – beyond emissions – some core elements of the Paris Agreement (and of the GCF's existing work) such as knowledge management and capacity development are often more appropriately measured through qualitative methods.

### **4. There is a lack of alignment between the RMF and external developments**

The RMF (and the related PMFs, intended to track progress of indicators at the project/program level) predates both the SDGs and the Paris Agreement so, by definition, the current RMF does not reflect the currently agreed (and in development) indicators, methods and reporting processes that many of its partners (AEs, NDAs) are already adhering to. Beyond the RMF though, the GCF's work is already well aligned with the clearest, highest profile Paris and SDG objectives, particularly around emissions reductions. Moreover, the GCF's strategic priorities and operational modalities are also well aligned with the less 'well known' components of the Paris Agreement, including knowledge management (article 7),

capacity development (article 11) and enhanced transparency framework (article 13). The GCF's results architecture now needs to ensure that the GCF's work in these areas is properly monitored and measured, which in turn should support the GCF *and its partners* to report on progress towards implementation of the Paris Agreement. It is particularly important that work here ensures that the GCF's results architecture is as efficient as possible for partner entities by – for example – using shared indicators, methods and reporting protocols to avoid duplication of effort.

**OPPORTUNITY: Explicitly link the RMF to the Paris Agreement and SDGs, including alignment with the Paris articles focusing on knowledge management and capacity building.**

## 5. There is a lack of alignment between RMF/PMFs and IF

A central concern that triggered this work is the limited coherence and alignment between the RMF/PMFs and the IF. While the frameworks fulfil different functions across the project cycle, they should nevertheless be intimately linked, perhaps even consolidated. During intervention design, preparation and approval, the IF is used to identify, assess and confirm – amongst other elements – an intervention's expected results including their potential for impact and paradigm shift. Clearly, these aspects of intervention design are integral to the long-term monitoring of that intervention: if the IF is used to assess a project's results and to pre-screen funding proposals, then it follows that the project's monitoring should assess progress towards those results. Yet the RMF/PMFs is not formally linked to the IF, and the expected impacts confirmed through the IF process are not necessarily aligned with the impacts measured through the RMF/PMFs. This is a significant (and – from an external perspective – *obvious*) discrepancy that has resulted in internal inefficiencies, caused confusion amongst GCF stakeholders, and has ultimately undermined the effectiveness of the GCF's overall results architecture.

The two frameworks were developed in relative isolation from each other. While the RMF/PMFs has struggled to support measurement of desired GCF impacts – particularly transformational change and paradigm shift – the IF is relatively well developed in this domain, especially when the recently developed ICS work is taken into account.

For paradigm shift / transformational change it distinguishes 4 domains with sub-criteria:

- Potential for expanding the scale of the proposed project or programme (scalability)
- Contribution to the creation or strengthening of knowledge, collective learning processes, or institutions
- Market development and transformation
- Sustainable Development potential (elsewhere called “co-benefits”). This one is subdivided again in:
  - Environmental impacts
  - Social and health impacts
  - Economic impacts
  - Reducing gender inequalities

The tool also makes a useful distinction in type of adaptation focus areas. This can possibly help in defining more specific impact / outcome indicators for each focus area. These are:

- livelihoods people and communities;
- health, food and water security;
- infrastructure and built environment;
- ecosystems and ecosystem services.

Although further research is necessary, the ICS appears to provide a valuable set of indicators and measurement approaches that – with refinement – could potentially be used beyond their intended function (i.e. to support proposal assessment), possibly also supporting the longer-term results measurement process. It is also notable that the ‘new’ Fund-level TOC is well aligned with the IF and ICS.

**OPPORTUNITY: Explore potential for linking the RMF/PMFs and the IF within a consolidated framework. The recently completed ICS work and the ‘new’ Fund-level TOC represent one of the clearest starting points for formalising alignment.**

## 6. RMF/PMFs are not embedded across institutional processes

The IEU’s review of the initial RMF noted the lack of consistency with which the RMF was applied by the Secretariat teams and across GCF processes. This is partly a function of the RMF being developed as a relatively standalone, ‘mechanistic’ exercise that looked almost exclusively at indicator formulation: only limited consideration was given to how the RMF could actually be operationalised across the GCF Secretariat, how it would be implemented by AEs and NDAs, and how it could feed into and support management and Board decision-making processes. While this work will focus on ensuring a results architecture that is well-aligned with Secretariat and partner entity processes, there is also an opportunity to align the work more firmly with the GCF’s own strategic priorities. The recent *Strategic Programming for the GCF First Replenishment* paper highlights key actions that the GCF will implement to support operational excellence, including “*updating the organizational design of the Secretariat*” and “*clarifying internal processes and improving process management*”. The development and integration of the RMF into GCF processes should be considered an integral part of these broader efforts on operational excellence.

**OPPORTUNITY: Embed the RMF development process within the GCF’s broader work on operational excellence.**

## 6. Organisational Issues and Challenges

As part of initial consultations, the consultancy team ran a short workshop with 35 representatives from different parts of GCF. Participants were put into small mixed groups and asked to identify what they felt were the organisational forces that might drive the successful design and operationalisation of an enhanced RMF and what restraining forces might need to be addressed. The group presentations have been synthesized below and the findings grouped under technical and organisational.

## *Driving Forces*

### **Technical**

- The IEU evaluation has highlighted key measurement and assessment challenges at a time where GCF need to reflect on some key performance challenges such as monitoring the effectiveness of investments that are should now be looking to deliver results, how to integrate mitigation and adaptation and how to assess paradigm shift
- The need to align measurement processes with the SDGs, other international agreements such as the Sendai Framework, etc. and the desire to draw from and stretch best practice from other funds and sector players
- The development of a new TOC provides a conceptual framework on which to base a revised approach. The ToC brings together some of the previously disparate elements of investment logic and should provide the basis for a more systemic approach which can drive a technically sound but understandable set of indicators and measurement processes that shows GCFs global contribution.
- Revised PMFs could provide the basis for GCF to become a learning organisation with more regular feedback loops and a greater assessment not just of what results are but what makes them happen and why.

### **Organisational**

- The IEU has provided an organisational impetus and urgency to revising the framework and led to clear recognition that this needs to be done to optimise performance.
- Replenishment – current and future potential donors want reliable data which shows ‘what they are getting for their buck’, gives them confidence that they are influencing transformational change and are able to communicate credible results to their own stakeholders
- The Executive Director is providing clear leadership on this process, which is then filtering through the organisation. The delegation of responsibility for the detailed design to the Secretariat also provides a clear message to the organisation of the priority that this issue has for the Executive Director.
- There has been an insufficient focus in GCF on gender/social inclusion. The development of an integrated RMF provides an opportunity to address this and to ensure it is central rather than marginal to how GCF operates and so put GCF at the forefront of the sector.

## *Barriers*

### **Technical**

- The amount of GCF jargon and lack of agreed definitions. Getting agreement on what is meant by paradigm shift and transformational change could be time consuming slow up and obstruct the process.
- Bridging the methodological gap between measuring results in mitigation and adaptation and designing a framework, which effectively captures and organises both quantitative and qualitative measures in a coherent way.

Adaptation is perceived as being further behind the curve in developing approaches for measurement.

- Getting overcomplicated – creating too many indicators so the RMF becomes so technical it becomes difficult to operationalise, does not reflect reality on the ground, and becomes a box ticking exercise/hurdle rather than a learning and performance enhancement tool.
- Designing an architecture which brings together often competing objectives which come under existing ‘disintegrated’ frameworks.
- Balancing out the need for context specificity versus aggregation.
- Methodological challenges in linking GCF outcomes and outputs to the SDGs and to national M&E systems

## **Organisational**

- Anxiety that leads to resistance in case any new ‘stronger’ framework might expose limited performance against expected results and therefore limit flow of funds.
- Lack of Board agreement and approval. There are different understandable political and professional views and interests and levels of understanding. Having a consensus-based decision-making model means implementing any radical change is often difficult and can lead to lowest common denominator-based agreement.
- GCF is undergoing a review of its structures and processes and any new RMF will need to be aligned both with current and future ways of working and roles and responsibilities.
- Limited capacity in the Secretariat and amongst AEs/NDAs. Implementation will take time and resource beyond this consultancy and there is a concern that there will be insufficient support during any roll out process to help AEs/EEs understand, prioritise and operationalise any new system. Designing and presenting a new RMF will not be enough.
- There is a very tight timeline for this consultancy, and it is even shorter than initially intended. This potentially increases the ability for resistance strategies to be developed if stakeholders feel their own interests are not best served by the RMF being redesigned.
- The political nature of ‘results’ and therefore resistance preventing the appropriate levels of reflection, and accurate process and outcome reporting which will enable GCF to become a learning organisation.

## **7. Initial recommendations for moving forward**

Based on the initial literature review, early stakeholder consultations, and the inception phase’s analysis of the RMF’s gaps and opportunities, the following recommendations in terms of design principles are proposed for the improvement of the GCF’s results architecture:

1. **Avoid system lock-in.** The RMF re-design should not be defined by the original B.07 and B.08 documents. The results framework should be flexible, allowing it to change according to replenishment and according to (eventual) NDC requirements.
2. Architecture should be **driven by the newly developed Fund – level TOC and pathways to impact**, rather than indicators (so may be necessary to develop mitigation and adaptation -level TOCs in addition to current, ‘new’ Fund – level TOC).
3. **Transformational change must be the priority.** Much work has been done on indicators, but not enough on major impact / transformation / paradigm shift (i.e. including and beyond indicators). There is a clear need to develop an overarching results framework with clear and multiple causal pathways to impact, which will allow to prioritize transformational change. The new RMF should be based on the overarching logic of the Fund’s TOC, rather than treating indicators as the starting point. Taking a ‘systems approach’ (one that is inclusive of broader and systemic change, and that considers interconnected solutions) is critical for developing a clear overarching results framework, which will allow measuring transformational change.
4. **Full alignment with NDC, NAMA, Paris and SDG monitoring requirements:** It is important to note that the Paris Agreement emphasises areas of immediate relevance to GCF beyond mitigation and adaptation, specifically knowledge management (Article 7), capacity development (Article 11) and enhanced transparency framework (article 13).
5. **Seek alignment with other financial mechanisms** of the UNFCCC Conference of Parties (COP) (GEF (particularly Least Developed Countries Fund (LDCF) and Special Climate Change Fund (SCCF), Adaptation Fund Climate Investment Funds (CIF) and/or Nationally Appropriate Mitigation Actions (NAMA) Facility).
6. **Clear focus on integrating gender and social inclusion** not as an add-on or secondary thought but as a central design element using human rights principles for design of framework and indicators.
7. **Ensure there is sufficient focus on learning and resources management** and not just accountability and that the results architecture builds in learning loops that can track and reflect on progress towards change and maps out the required capacity and resources across the Secretariat and its stakeholders to operationalise effectively.

## 8. Timeline

The work plan will follow the phases and duration shown in the chart below.

**Table 1 Work plan**

	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Phase 1											
Phase 2											
Phase 3											
Phase 4											
Phase 5											

The table below shows the milestones and expected outputs with the corresponding estimated dates. The date for the first output under Phase 3 was planned for August 24<sup>th</sup> but is likely to be revised and moved to September and both Phase 3 outputs aligned with B.24's new date (November 2019).

**Table 2 Milestones and Outputs**

	Milestones	Date	Outputs	Date
<b>Phase 1</b>	Initial meetings with GCF Secretariat in Songdo	June 2019	Inception report	July 2019
<b>Phase 2</b>	Stakeholder consultations at B.23 in Songdo	July 2019	High-level conceptual framework to the Secretariat and the Executive Director	July 22 <sup>nd</sup> , 2019
	Country visits, online questionnaire	July-August 2019	Summary stakeholder consultation report	August 2019
<b>Phase 3</b>	Proposal for integrated 'fit-for-purpose RMF	August – September 2019	Draft detailed documentation including coherent and integrated RMF	September 2019 (date TBC)
	Presentation of the coherent and integrated RMF at B.24	November 12-14 <sup>th</sup> 2019	Presentation of published Board document outlining proposed RMF	October 2019 (date TBC)
<b>Phase 4</b>	Revisions and Refinement to the RMF and associated MRV processes and systems	November – December 2019	Revised documentation & More detailed phased plan	December 2019 (date TBC)
<b>Phase 5</b>	Development and delivery of protocols, guidelines and methodology including capacity building tools and induction	January-April 2020	Delivery of training packages accessible guidelines and protocols	April 2020 (date TBC)

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