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Evaluation of the Project: "UN Environment/UNDP/WRI Green Climate Fund (GCF) Readiness Programme" PIMS ID 1713

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May 2018

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Consultants' Biographies

Two independent international consultants, each individually hired by the UN Environment Evaluation Office prepared this report. Dr Arthur Dennis Long, a Professional Civil Engineer, served as the team leader. Dr Long has over 30 years' experience in international development, including 14 years in evaluation at the International Finance Corporation (IFC) and European Bank for Reconstruction and Development (EBRD). Mr Albert Stocker, an economist, also with over 30 years in international development and project finance including 10 years in evaluation at EBRD, served as the technical expert for institutional strengthening and capacity building.

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ABOUT THE EVALUATION[1]

Joint Evaluation: No

Report Language(s): English

Evaluation Type: Evaluation

Brief Description: This report is an evaluation of a UN Environment/UNDP and World Resources Institute project which began in 2014 and had an intended completion date of December 2017. The evaluation was designed and launched as a Terminal Evaluation but as the project was extended to December 2018 during the course of the evaluation, it is now presented as an interim evaluation. The project's overall development goal was to *"to prepare countries to access, manage, deploy, and monitor scaled-up financing through the Green Climate Fund"*. The initiative works in nine countries: Benin, Colombia, El Salvador, Fiji, Ghana, Kenya, Nepal, Philippines and Uzbekistan. Brief case studies on the three countries who hosted evaluation missions (Colombia, Ghana, Kenya and Nepal) are held by the UN Environment Evaluation Office.

The evaluation has two primary purposes: (i) to provide evidence of results to meet accountability requirements, and (ii) to promote learning, feedback, and knowledge sharing that could be applied as the project moves towards its completion.

Key words: Adaptation; Climate Change; climate finance; German Federal Ministry; BMU; Green Climate Fund; GCF; Global; Mitigation; Terminal Evaluation; UNDP; World Resources Institute.

[1] This data is used to aid the internet search of this report on the Evaluation Office of UN Environment Website (https://www.unenvironment.org/about-un-environment/evaluation)

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Abbreviations

AE	Accredited Entities
BMU	German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety
BMZ	German Federal Ministry of Economic Cooperation and Development
CIF	Climate Investment Funds
COP	Conference of the Parties
DAE	Direct Access Entity
DTU	Technical University of Denmark
EA	UN Environment's Expected Accomplishments
EE	Executing Entities
FAO	Food and Agriculture Organization
FR	Final Report
FS	Frankfurt School of Finance and Management
G20	Group of Twenty
GCF	Green Climate Fund
GHG	Greenhouse Gases
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
KFW	Kreditanstalt fuer Wiederaufbau
HRBA	Human Rights Based Approach to Development
IE	Implementing Entities
IFC	International Finance Corporation
IKI	Programmbuero Internationale Klimaschutzinitiative ("IKI"), Berlin
IPP	Independent Power Providers
IUCN	International Union for Conservation of Nature
KCB	Kenya Commercial Bank
NDA	National Designated Authorities
NEMA	National Environment Management Authority
NGO	Non-Government Organizations
ODA	Overseas Development Aid
PoW	UN Environment's Programmes of Work
PPP	Public Private Partnerships
PS	IFC Performance Standards
SOPs	Standard Operating Procedures
ToC	Theory of Change
ToR	Terms of Reference
UNDP	United Nations Development Programme
UNEP	United Nations Environment
UNFCCC	United Nations Framework Convention on Climate Change
V20	Vulnerable Twenty
WRI	World Resources Institute

Table 1: Project Identification Table

UN Environment PIMS ID:	1713		
Sub-programme:	Climate Change	**Expected Accomplishment(s):**	EA (a) and (b)
UN Environment approval date:	May 2014 *(ProDoc)*	**Programme of Work Output(s):**	PoW 2014 -15: **EA (a): Adaptation Output 5:** Support is provided to countries to improve access to public and private global, regional and national adaptation finance, strengthen readiness for deploying finance and apply innovative finance mechanisms **EA (b): Mitigation Output 4:** Technical support is provided to countries and partners to plan and implement sectorial initiatives and to make renewable energy and energy efficiency projects affordable and replicable.
***Expected* start date:**	March 2014 *(ProDoc)*	**Actual start date:**	Dec 2013 *(Interim Report to BMU)*
***Planned* completion date:**	March 2017 *(ProDoc)*	**Actual completion date:**	*Expected:* Dec 2017 (extended to Dec. 2018)
***Planned* project budget at approval:**	USD 20,662,500	**Actual total expenditures reported as of 12/11/17:**	USD 17,788,826
***Planned* Environment Fund allocation:**	USD 0	**Actual Environment Fund expenditures:**	USD 0
***Planned* Extra-Budgetary Financing:**	USD 20,662,500 (15MEUR, BMU)	**Secured Extra-Budgetary Financing:**	USD 20,662,500 (15MEUR, BMU)
		Actual Extra-Budgetary Financing expenditures reported as of: 12/11/17	USD 17,788,826
No. of revisions:	2	**Date of last revisions:**	Oct 2016 and March 2018
No. of Steering Committee meetings:	*2014/15 (4)* *March 2016* *March 2017*	**Date of last/next Steering Committee meeting:**	*Last:* March 2017 *Next:* To be determined
Mid-term Review/ Evaluation *(planned date):*	Sept 2015	**Mid-term Review/ Evaluation (actual date):**	Agreed with donor to forego Mid-Term Evaluation in favour of early Terminal Evaluation.
Terminal Evaluation *(planned date):*	June 2017	**Terminal Evaluation (actual date):**	July- 2017 – May 2018 *(renamed 'Evaluation' as the project end date was extended)*
Coverage - Countries:	Benin Colombia El Salvador Fiji Ghana Kenya Nepal Philippines Uzbekistan	**Coverage - Region(s):**	*Global:* Africa Asia Pacific Latin America and the Caribbean
Dates of previous project phases:	Not applicable	**Status of future project phases:**	Results of this Evaluation to inform design of possible subsequent phase. None currently planned.

Executive Summary

1. This Evaluation of the Project: "UN Environment / UNDP / WRI Green Climate Fund (GCF) Readiness Programme" (hereinafter, "the Project") was commissioned by the UN Environment Evaluation Office.

2. The Project was initiated during 2013/2014, by the German Federal Ministry for the Environment, Nature Conservation, Building, and Nuclear Safety (BMU), which commissioned UN Environment and the UN Development Programme (UNDP), jointly with the World Resources Institute (WRI), to design and implement the Project. The Project had an estimated budget of USD 20.3 million [2], is funded through the German Federal Ministry of Economic Cooperation and Development (BMZ) and was originally scheduled for completion by March 2017. The project's end date was extended to March 2018 and has been further extended to December 2018 (effective 12 March 2018)[3].

3. Germany is one of the leading contributors to GCF and has undertaken various initiatives to support the understanding of the GCF mechanism in concerned countries as well as having contributed to the establishment of relevant policies to support access to GCF financing.

4. Two sources of project design documentation exist: i) the project proposal submitted to BMU in 2013, which was subsequently approved and funded; and ii) the Project Document approved by UN Environment's Project Review Committee in May 2014. For the purposes of this evaluation, the UN Environment Project Document was assessed for quality of project design as this represents the initiative that was approved under UN Environment's Programme of Work. The project proposal funded by BMUB is the basis for assessments of all other evaluation criteria as it best represents the plans for implementation against which performance can be evaluated. Finally, each of the nine countries has its own project document (UNDP implementation agreement) and a total budget and annual work plan (encompassing all three agencies' activities).

5. The overarching goal of the Project is ***"to prepare countries to access, manage, deploy, and monitor scaled-up financing through the Green Climate Fund".*** This is to be achieved via two outcomes:

   i) institutional capacity of national entities is built and strengthened, with a focus on enabling direct access to climate finance; and
   ii) climate change mitigation and adaptation investment strategies, programmes and projects (including development of pipeline for GCF funding), including through the active involvement of the private sector, are developed, (Project Agreement, 2013).

6. The Evaluation Team was also cognisant of the emphasis indicated in the Project Steering Committee minutes (March, 2016), namely that: "Programme partners were advised to take a two-track approach, by identifying projects that

[2] Source: ProDoc
[3] Effective March 2018

can be submitted quickly without compromising ambition. The need to develop high quality bankable projects was stressed by BMUB, including developing a project pipeline outside of national implementing entities where relevant."

7. The Project Team[4] screened 21 countries to select the nine in which to implement the Project. A set of 10 modules, grouped equally into two main work packages (A: Building the institutional capacities of countries, with a focus on enabling direct access; and B: Preparation of country programmes and project pipelines for GCF support) were designed to provide a menu for country selection and to guide the work at country level.

8. The UN Environment Evaluation Office adopts a theory-based approach: a Theory of Change for the Project was reconstructed[5] and four of the nine countries were selected as examples of how the Theory of Change was implemented. The reconstructed Theory of Change for the Project is relatively straightforward: technical assistance was provided to support institution strengthening and capacity development, leading to effective climate finance systems and a portfolio of GCF projects, that contribute, in the longer term, to GHG reductions and climate resilience. Several contributing conditions, expressed as 'assumptions' and 'drivers' are, however, critical in influencing the level and nature of the Project's success.

9. The four countries identified for evaluation visits (Colombia, Ghana, Kenya and Nepal) were selected purposively as information-rich cases[6] that represented geographic diversity. The other five Project countries were sent an e-mail questionnaire but only one provided a complete response[7]. The Evaluation Team used Country Progress Reports to gain insight into the Project's implementation in those countries. The evaluation included meetings with all relevant UN Environment, UNDP, and WRI staff.

10. All nine countries experienced delayed start-ups. Some of these were caused by internal political changes. It is also noted that UNDP has a standard requirement to reach a formal agreement with each Government. This leads to greater government ownership, which is positive, but also took time.

11. In the last four years, working in all nine countries, the Project Team has focused on increasing the understanding and engagement of the governments with the GCF and supporting 'Direct Access' via the National Designated Authorities. The Project supported the institutional setup to effectively engage with GCF at the national level (including national climate finance strategies); creation and application of decision-making tools as regards to GCF finance; GCF accreditation and development of proposals for GCF funding. The initial focus has been on adaptation projects that could attract grant funding, followed by

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[4] The "Project team" refers to managers of the partners responsible for implementing the project. Over the life of the project there were several key staff changes.

[5] The Theory of Change was 'reconstructed' based on the results framework in the project design agreed with BMUB. Relevant contributing conditions ('assumptions' and 'drivers') were identified. This Theory of Change was discussed and confirmed during the evaluation process.

[6] Three of the four countries (Colombia, Ghana and Kenya) were in the first group of implementing countries and were recognized as being 'strong' examples of the Project's performance.

[7] The evaluation team acknowledges that representatives from the implementing partners may have been able to elicit a higher country-level response, had they known of the low response rate early enough in the evaluation process.

mitigation projects that are more likely to attract loans and be implemented by the private sector.

12. This evaluation faced an unusual number of limitations, the significance of which only became apparent during the evaluation process: (i) based on an agreement between the Project and the funding partner, no mid-term assessment[8] was carried out; (ii) this evaluation was initiated, at the request of the Project and with agreement from the funding partner, six months prior to the anticipated end date, December 2017 (a further extension to the Project to the end of December 2018 has also been granted); (iii) a number of key staff changes took place during the evaluation process; and (iv) lastly, GCF is a new climate change funding mechanism that was in its infancy. Consistent with such a new area of work and a rather premature 'terminal' evaluation, respondents' views reflect considerable variation, some activities have not yet been finalised and much of the project documentation, including a report on lessons learned[9], is still being prepared, consolidated and centralised.

13. By the end of the evaluation process some stakeholders had remaining concerns about some aspects of the evaluation report and the dialogue around these issues is reflected in Annex I.

Main Review Findings and Ratings

14. This Evaluation uses the UN Environment rating scale and methodology and gives this Project an overall rating of "**Moderately Satisfactory**". In the last four years, working in all nine countries, the Project Team has focussed on supporting "Direct Access', primarily via the National Designated Authorities within a context of capacity development and institution strengthening. This work has included supporting the establishment of institutional frameworks and the development of tools to facilitate access to GCF funds. The Project supported 17 entities applying for GCF accreditation, and development of 19 proposals for GCF funding. This is a significant project achievement. The initial focus has been on adaptation projects (13 of the 19) that could attract grant funding, followed by mitigation projects that are more likely to attract loans and be implemented by the private sector.

15. Respondents highlight the strong contribution the project has made to increase the understanding of National Designated Authorities and other relevant parties on GCF processes and polices, and on the support given to them in setting up an institutional mechanism to use the prioritization and screening tools to plan for more efficient access to the GCF.

16. **Strategic Relevance** is rated "Satisfactory". The evaluation found a strong focus on supporting "Direct Access" to the GCF by national and local institutions with an emphasis on grant-based adaptation activities, which is in direct response to GCF's own objectives, i.e. facilitating direct access to the fund. The Project contributed to developing project screening systems and the definition of elements for the prioritization of projects for the GCF pipeline. Support has been

[8] UN Environment requires mid-term assessments to be carried out at the mid-point of all projects with a planned duration of four or more years.

[9] A report on lessons learned was known to be under preparation during this evaluation but a draft only became available in March 2018, after the first draft of this evaluation report had been prepared.

provided on the design of projects to be submitted to GCF, but most are still at the concept[10] stage or are under review.

17. **Quality of Project Design** (assessed based on the approved UN Environment Project Document) is rated "Moderately Satisfactory" due to the following factors:

- The broad scope of the Project design was ambitious from the outset: institution strengthening to create / build-on the climate finance architecture in nine countries; defining criteria for screening projects and allocating priorities; providing a range of capacity building activities at the national and local level to assist with Direct Access; involving the private sector in order to increase resource mobilization; and contributing to project pipeline development both for adaptation and mitigation projects.

- The Project design included three implementation partners (UN Environment, UNDP and WRI), with an additional two supporting partners, Frankfurt School of Management and the Technical University of Demark[11], executing part of UN Environment's work plan. UN Environment is responsible for the coordination of the Project and its Trust Fund (Project Document, page 26), as well as being a joint implementing partner with UNDP and WRI. Three levels of project coordination and steering were described. In addition to the role of the Project Management Team, there are both an interagency Steering Committee for the Project that meets once per year and national level Steering Committees (also called Boards) in each country, that provided oversight and input to the Project team on implementation. The Project Steering Committee consists of representatives from each of the implementing partners and BMU. It does not include representation from, or an observer status by GCF (the main stakeholder), the countries, or other interested parties such as FAO, IUCN, Multilateral Development Banks, or representatives from the private sector. Based on the evidence gathered during this evaluation, the roles of each partner were not sufficiently developed during the project design to overcome the challenges of implementation faced by three large institutions with different Standard Operating Procedures and accounting procedures.

- The project design did not contemplate allowing for re-allocating undisbursed funds after a mid-term review or alternative internal management review process, which is short-sighted given the newness of the GCF mechanism (which is described in detail as a medium level risk in the Project Document, page 35) and the complexity of institution building in nine countries. Project managers may have reached the conclusion that some countries were lagging behind and needed increased support, whilst others may have advanced sufficiently, yet the partnership structure restricts such modifications. The Evaluation Team learned that all project funds were allocated to the implementation partners and countries from the outset and that such allocations could not be easily changed later on during project

[10] In the GCF process it is noted that the 'concept stage' must, similar to the 'fully-developed proposal' stage, be accompanied by supporting assessments and studies.

[11] It is noted that the Technical University of Denmark worked with only 2 out of the 9 countries and received a relatively small budget of USD 104,000. However, they are named in the Project Document.

implementation. However, budget re-allocations were made at the level of the country workplans in response to identified needs.

18. **Nature of External Context** is rated "Moderately Favourable". Substantial political changes and/or natural disasters happened in Fiji, the Philippines, Nepal, and Kenya during the project life. Although these external factors caused tragic losses to those countries, their main impact on this project was to delay implementation.

19. **Effectiveness** is rated "Moderately Satisfactory" based on the assessment of effectiveness across the three dimensions: delivery of outputs, achievement of direct outcomes, and likelihood of impact.

20. At design, this project envisioned two main work packages addressing adaptation and mitigation, based on 10 modules (inputs). The modules are well described in the BMU project proposal, are fully developed with associated results, outputs and activities, and appear to represent a comprehensive set of areas of work that would drive progress towards the two intended outcomes. While UN Environment continues to report to BMU against the 10 modules, at the country level, at the time of the evaluation, there appeared to be little to no knowledge about the modules[12]. Rather, the Project, in consultation with the respective Governments and before National Coordinators were contracted, designed a series of activities as re-formulations of the 10 modules, which were agreed upon, in some countries resulting in over 20 distinct activities within a country workplan. These activities tended to focus more on institutional strengthening and capacity building (work package A), rather than the development of programmes and projects (work package B).

21. The achievements against Outcome 1 *(institutional capacity of national entities is built and strengthened, with a focus on enabling direct access to climate finance),* were generally positive in terms of contributions to the national climate finance architecture (legal framework, definition of responsible parties and coordination between various Government entities), including the development of climate change acts, policies, strategies, and action plans.

22. Under Outcome 2 *(climate change mitigation and adaptation investment strategies, programmes and projects (including development of pipeline for GCF funding), including through the active involvement of the private sector, are developed],* the evaluation found that engagement with the private sector for loan-based mitigation activities was limited, despite the active involvement of the private sector being a specific aspect of the Project's second outcome. The evaluation noted activities that promoted GCF financing concepts to the private financial sector. In some countries, the Project contributed to the overall climate finance framework, but less on aspects specific to private sector engagement. Initial project proposals that were generated for private sector project financing were viewed during the evaluation and found to be at a conceptual level, lacking the detail needed to give confidence that they would lead to solid projects.

23. The Evaluation Team members were surprised that there seemed to be limited knowledge about the types of project structuring common in many countries, for example (i) Public Private Partnerships; or (ii) Energy Efficiency and Renewable

[12] This partly reflects staff changes and that many of the national coordinators were hired after the design of the country programs.

Energy credit lines, via local banks, that blend loans with grants. These are only two of several options. Both would have better engaged the private sector on mitigation. There was also a lack of understanding of the use of equity, both by national counter-parts and by UN staff. The private sector involvement remained at a fairly general level of coordination, but has not led to defining a framework, which could enable more private sector mitigation projects and resource mobilization from the private finance sector.

24. Despite a dedicated module (Module 8: 'Support preparation of a pipeline of climate projects and provide them with targeted technical and financial support in order to make them bankable', page 11), the contributions to a stronger project pipeline for adaptation and mitigation were less obvious. The Project provided support in developing a project screening methodology. Project screening, supported by the Project, is an important activity that involves various rounds of consultation and serves to ensure that efforts to secure funding are being directed towards priority needs. Having an effective screening process in place is an important and necessary tool and should result in a strong project pipeline. However, while several projects are under development, the Project has only resulted in one GCF approval to date. Additional support for the design of relevant and well thought through projects could have been provided. One respondent noted, that generating a project pipeline takes a substantive period of time that will vary from country to country. Country programming is still not widely applied by National Designated Authorities.

25. A key component in achieving these direct outcomes is knowledge management and sharing. The Project design document agreed with BMU (2013, page 5) also expresses the expectation that the Project would 'demonstrate the sort of country readiness programmes that the GCF Board could subsequently support through fund operations'. The Project provided an opportunity for substantial knowledge generation through the combination of partners, implementation in a range of countries, and the design of 10 well-defined modules for the two work packages. In reality, as countries selected the modules that were best suited to them or reflected their priorities, the level of take up of individual modules varied and some of the potential for deeper learning was lost (e.g. only six countries took up the Measuring, Reporting and Verification (module 4) work even though it was recognised as a distinctive feature of the project).

26. Based on the Evaluation Team's experience of the availability and circulation of information during this evaluation it appears that formal knowledge sharing mechanisms could have been strengthened. The evaluation notes there were eight south-south study tours but only one country report is available on the GCF Readiness website. The Project Team also presented at various global meetings such as the COP. WRI issued one Working Paper, "Direct Access to Climate Finance: Lessons Learned by National Institutions."[13] However, the materials uploaded to the Project website do not represent the reported level of knowledge sharing. The potential for this Project to achieve high visibility of its experience has not yet been fully realised. The evaluation notes that, at the time of writing, a substantial Lessons Learned document is at a draft stage.

27. **Likelihood of Impact** is rated as "Likely." Countries have benefited from the assistance provided, and the need to finance climate change activities will drive

[13] WRI, November 2016.

countries to continue working with GCF. However, it is not yet clear whether the nine Project countries are substantially 'more ready' to access GCF funding than neighbouring countries that did not receive readiness support from the Project. For example, several neighbouring countries already have approved GCF projects, including countries supported under the GIZ/KfW Climate Finance Readiness Programme[14].

28. **Monitoring and Reporting** is rated "Moderately Satisfactory." For example, Monitoring and Reporting could have been a more powerful tool for project management, for example by monitoring expenditures against project objectives by country. The project team issues reports to BMU once a year with a 6-month delay, which limits management flexibility.

29. Due to the existence of a different results framework between the UN Environment project information management system and the donor agreement, plus variations by country, Project monitoring and reporting is a challenge. The team needs to report on the approved results in the UN Environment information management system, and to BMU on its results framework, including both original activities (10 modules) and country-agreed work programmes, which include a selection of from three to nine modules

30. Country teams and UN Environment have provided annual progress reports to BMU; however, the Project team has not kept UN Environment reporting system up-to-date. At the time of writing this evaluation report, the UN Environment information management system had 19 active alerts for missing / out-of-date data despite raising this as a concern with the Project Manager at the start of the evaluation.

31. A major issue is not the lack of reporting but the failure to follow-up, for example working to accelerate activities that were substantially delayed. The Project Team focused on getting reports sent out on time. In retrospect, more attention could have been spent on addressing the causes of the delays and adjusting the Project to get back on track.

32. **Financial Management** is rated "Moderately Satisfactory". Project funds are managed through UN Environment with pass-through agreements to UNDP and WRI. The specific work programmes for each partner were agreed at the start of the Project. UNDP and WRI report to UN Environment who then reports to the donor. The Evaluation Team was able to access financial UNDP and WRI financial reports directly from UNDP and WRI but not centrally from UN Environment.

33. The National Coordinators do not have access to the UN Environment information management system and therefore do not control and are not aware of how their country is reported on in this system. Rather, information is submitted to UN Environment staff, who upload the data.

[14] This is based on comparing countries supported by the GIZ/KfW Climate Finance Readiness Programme against the GCF list of approved projects. Having an approved project is only one indicator of 'readiness', but is the most straightforward and objective measure and provides a point of comparison across countries, initiatives etc.

34. **Efficiency** is rated "Moderately Unsatisfactory" due to the delays in project start-up which contributed to two no-cost extension to the project and the limited ability of the Project Manager to review and, if necessary, re-allocate undisbursed funds either within a country[15] to higher priority activities and/or to re-allocate funds between partners or countries in order to assist countries with late start-up or more needs vs. countries which already have reached output targets. This is particularly important given that the newness of the GCF process was a known risk area.

35. With multiple activities being carried out in nine countries by three implementing partners, plus two supporting institutions, it is a challenge to make an assessment of timely performance. Each year the project team reported to BMU on programme status in each country against the agreed workplans, some of which contained over 20 agreed activities. However, there appear to be multiple workplans (country workplans, UNDP workplans, UN Environment and WRI workplans) and different versions of the same workplans were also in use. Lacking was a centralized Gantt chart, or similar scheduling tool, either for the project as a whole, or by country[16].

36. Not all activities are of equal importance or costs, but performance across all activities can provide an indication of overall performance. The Evaluation Team looked at performance in the four case country studies, based on the latest reports submitted to BMU, which are effective through the end of 2016. The average delay across the four countries was 10.75 months (see Table 10, page 43)[17]. With the project extension, this is likely to be an underestimate.

37. The **Sustainability** of the Project's direct outcomes is rated "Likely": early training of regular Government employees allocated to Climate Finance was limited since project implementation teams set up within the Government were either understaffed or had yet to be staffed. For example, in Nepal the government's Climate Finance team within the Ministry of Finance, was only set-up in November 2017; therefore the value of "capacity building" within the Nepalese NDA, prior to this date, is questionable.

38. Having institution strengthening and capacity development delivered by national and international consultants, who are unlikely to be present in the longer term because they are not integrated into normal staffing levels of public sector teams, nor remunerated at the same levels, does not guarantee that the activity will be automatically continued, especially if the Government has budget constraints. To what extent the capacity building as per UNDP's definition of capacity development[18] has been achieved and is sustainable, cannot easily be assessed at this point in time. Capacity building takes time and the results are not immediately apparent.

39. With regard to sustainability at the level of the climate finance architecture, contributions to legal frameworks that have been enacted provide a good basis

[15] Some in-country reallocations were noted but no reallocations between countries.
[16] An exception was Kenya, which had a combined workplan and budget that included all partners, but lacked detailed scheduling information.
[17] This method is conservative and likely underestimates the delays in some countries.
[18] UNDP defines capacity development as the process through which individuals, organizations and societies obtain, strengthen and maintain the capabilities to set and achieve their own development objectives over time.

for sustainability at the national level. This typically includes clear definition of responsibilities within the Ministries and setting up of coordinating committees. The Project's support work in this context was useful.

40. The contributions to measuring tools (systems for measuring, reporting and verifying climate finance etc.) contribute to sustainability. Once established, these tools provide useful information for national and international purposes and are more likely to be maintained by local resources.

41. **Factors Affecting Performance** was rated "Moderately Satisfactory". The start-up phase of the project involved screening 21 countries to select the nine focus counties. To initiate the work in the nine selected countries, scoping missions were conducted resulting in Country Assessment Reports for each country. These 2014 Country Assessment Reports were well conceived and provided a description of baseline conditions in each country. They also provided a useful starting point for negotiating the country workplan.

42. In retrospect it appears that due diligence at the outset regarding private sector projects was somewhat limited. The Frankfurt School did not participate in all the initial scoping missions and was only operational in six of the nine countries. The Project Team acknowledges that the initial scoping missions were focused at an institutional and policy level, while the sector studies were deeper and focused on sector capacities and gaps. There was also a sequencing issue in that countries had to first decide where they wanted to focus their efforts. Not being part of the scoping missions and perhaps shaping the actual assessments meant that Frankfurt School had to start work in the selected countries with their own sector study before defining and targeting their inputs.

43. Whilst communication flows between partners was good, differences in implementation modalities confused Government partners and undermined the sequencing of implementation, resulting in shortened timelines for implementation, given iterative capacity-building goals. The broadness of the project scope did in some areas come at the cost of not being able to reach completion of some activities, for example accreditation, concept clearance, or preparation of private sector projects.

44. UNDP was delayed while negotiating implementation agreements with the host governments. WRI's work programme, which was not dependent on these agreements, was delivered as per the initially agreed schedule and in advance of the other two partners. The project design did not contemplate on-going political changes in countries, which has and could cause delays etc. (Philippines, Kenya, and Nepal).

45. Factors affecting the performance of this Project include the following:

- **GCF:** The ability to implement this Project relates back to the GCF, the guidance it provides (Standard Operating Procedures, requirements, forms, etc.), and its ability to rapidly approve projects. GCF's start-up has, in fact, been slower than expected. This has negatively affected the Project. At the start of the Project, GCF remained poorly understood, some of its procedures remained to be defined, and its staffing and processing were a serious constraint. One can realistically anticipate that as GCF matures, it will become an increasingly important partner of the countries supported.

- **National Governments:** The governments of the nine countries face competing priorities. Many face debt-ceiling issues; have entrenched government administrative systems and may not see investments in climate change as a national priority, nor might they be supportive of strong private sector involvement. Again, one can realistically anticipate that as countries gain experience working with GCF on climate change, they will become more supportive.

- **Partnership Structure:** The Project's success depended upon a strong collaborative partnership between UN Environment, UNDP, and WRI. Given start-up delays at UN Environment and UNDP, WRI completed some of its activities, which was not sensitive to some of the same delaying factors, ahead of the other two partners. UN Environment's lack of a field presence is also a constraint.

<u>Key Lessons</u>

46. Project designs should seek ways to empower the management team by means of holding some funds in escrow for future allocation.

47. Effective institution building benefits from a holistic approach that includes support for the establishment of institutional frameworks and the development of tools as well as long-term technical assistance. Where consultants are placed to work alongside Ministry staff clear sustainability measures/exit plans are necessary.

48. Knowledge sharing via information platforms and Internet based learning, plus full disclosure of information, toolkits, etc., is critical to achieving effective institution strengthening.

49. Involving the private sector in adaptation and mitigation projects requires an appropriate private sector framework (legal and financial incentives as well as suitable technical, financial, political and legal frameworks) and availability of grants and subsidized loans, particularly for projects that face high risks.

50. When the adoption of a range of project components (e.g. modules) are being selected by countries it is advisable to: a) confirm how a minimum level has been (or will be) reached in non-selected modules and b) to ensure that components are adopted with common results statements and indicators (targets can then be set at a country level). This consistency supports a balanced and intentional change process, allows for greater comparison across country examples and strengthens the potential for determining a project level (collective or aggregated) effect.

51. **<u>Recommendations</u>**

<u>Recommendation 1: Legal and Regulatory Reform</u>
As part of the institution strengthening and capacity building activities, the Project should review the status of climate friendly laws, with an emphasis on private sector development in each of the nine countries and provide additional support where needed to ensure that each country has the necessary climate change architecture/enabling frameworks in place.

<u>Recommendation 2: Expand Private Sector Focus</u>

In its final year the Project should engage further with the Frankfurt School of Management and engage with UNEP Finance Initiative to deepen its focus on the private sector.

Recommendation 3a: Project Pipeline Development
The Project needs to make a concentrated effort on working with the identified Direct Access Entities to prepare fully structured project proposals.

Recommendation 3b: Project Pipeline Development (Gender Focus)
In line with GCF and the implementing partners' own policies, all project proposals should continue to address the differentiated needs of vulnerable / marginalised groups, especially those of women and indigenous groups.

Recommendation 4: Knowledge Sharing
The Project Team should articulate a comprehensive knowledge sharing strategy that includes the use of the GCF Readiness website and is designed to circulate relevant information between countries on an on-going basis, and to other countries beyond the nine Project countries.

Recommendation 5: Financial Reporting
Limitations of the UN Environment's Project accounting system in UMOJA makes it difficult to track budgets against accruals or expenditures by partner, country, and output. As a management tool, the Project management team should track accruals/expenditures by partner, country, and output.

Recommendation 6a: Evaluation (self-assessment tool)
The UN Environment Evaluation Office is advised to: a) review the pre-conditions for terminal evaluations that are initiated before technical completion of projects; b) confirm that the requirement for mid-term assessments is fully embedded and visible in key sources of guidance for project managers and c) consider developing a 'self-assessment' tool (or similar) for Project Managers to help them prepare for an evaluation so that required documentation is readily available, PIMS is up to date, etc. before the evaluation team begins interviewing staff.

Recommendation 6b: Evaluation (impact evaluation)
If there is a new phase of this intervention, and if the funds allow, an Impact Evaluation that assesses what has happened in a sample of the other non-selected 12 countries, is recommended. Alternatively, GIZ is likely to evaluate their project in 2018. Comparison of results across the two projects potentially offers an informal impact evaluation.

I. Introduction

52. This report summarizes the findings resulting from an Evaluation of the UN Environment / UNDP / WRI Green Climate Fund Readiness Programme (hereinafter, the Project). The three implementing partners are UN Environment, UN Development Programme and the World Resources Institute. The scope of the evaluation encompasses the work that contributes to the agreed results framework, delivered by all parties.

53. During 2013/2014, the German Federal Ministry for the Environment, Nature Conservation, Building, and Nuclear Safety (BMU) commissioned UN Environment and UNDP, jointly with WRI, to design and implement the Project. The Project had an estimated budget of USD $20.3 million, began in early 2014, and was scheduled for completion by March 2017. It was extended to March 2018, and in March 2018 a further no-cost extension to December 2018 was granted.

54. Within UN Environment, this project is co-managed by the Economy and Ecosystems Divisions, contributes to 2014-2017 Medium Term Strategy (MTS) via the 2014-2015 and 2015-2017 Programmes of Work (PoW); and to the associated sector level Expected Accomplishments (EA (a): Adaptation Output 5 and EA (b): Mitigation Output 4).

55. The Project Team screened 21 countries to select the nine in which to implement the Project. Over the past 3.5 to 4 years the Project has worked with the nine implementing countries to help them prepare for, and obtain funding from, the Green Climate Fund (GFC). All countries experienced delayed start-up of planned and agreed to project activities.

56. The UN Environment Evaluation Office commissioned this evaluation, as defined in the terms of reference (See Annex G). No mid-term assessment was conducted of the Project, rather it was agreed to conduct the Evaluation within the last six month's of the Project's intended completion period. The timing of this evaluation ensured that the Evaluation Team was able to connect with key personnel prior to their moving on to different functions. To inform the findings, the evaluation included site visits to four countries, Colombia, Ghana, Kenya, and Nepal. The four country case studies each resulted in a separate report prepared for internal review, which are not publicly available out of consideration for client confidentiality. This evaluation is conducted for accountability and learning purposes and dedicates particular attention to the issue of the Project's strategic direction, structure, organization, and success.

57. This evaluation has multiple intended audiences, including the project funder, members of the implementing partner organisations, and representatives in the project's implementing countries. At the country level, the targeted audiences are the NDAs. At the programme management and funding levels the audiences include the three implementing partners and the donor. More broadly, GCF and various bilateral and multilateral agencies that are financing parallel GCF-readiness initiatives, may find this report useful.

58. Two Project extensions, now through December 2018, allow for completion of remaining activities and use the remaining undisbursed project budget. The Evaluation Team was advised that there is no possibility for the reallocation of the remaining unused funds between countries.

A. Background to the Project

The Green Climate Fund (GCF)

59. As part of the increasing global architecture responding to climate change, in 2010 the Green Climate Fund (GCF) was established at the Conference of the Parties (COP) of the United Nations Framework Convention on Climate Change (UNFCCC). The GCF, which became operational in 2015, is a global initiative designed to respond to climate change by investing in low-emission and climate-resilient programmes and projects. The Fund, based in Songdo Korea, is accountable to the United Nations under the principles and provisions of the UNFCCC. It is governed by a Board of 24 members, which is actively engaged in decision making at all levels. The GCF aims to deliver equal amounts of funding (50:50) for mitigation and adaptation. To date, the split has been 29 per cent adaptation, 28 per cent cross-cutting (i.e. both adaption and mitigation), and 43 per cent mitigation; indicating a preference for mitigation projects. The GCF provides grants, loans, and/or equity; although, the split between the three types of funding has not yet been made explicit. To date, the split has been 43 per cent grants, 43 per cent loans, 3 per cent guarantees, and 11 per cent equity. Co-financing limits are also not spelled out, but to date, 71 per cent of the project financing is via co-financing (i.e. GCF has provided just over 30 per cent of the project financing). GCF's Standard Operating Procedures (SOPs) are becoming more transparent with time. The GCF also seeks co-financing to leverage its resources with a goal of establishing a $100-billion fund. Note, the $100-billion target is notional and is based on an assumption of co-financing; therefore using current numbers, GCF seeks to raise another $20 billion.

60. A future concern will be whether the GCF will be able to reach its target of $100 billion. Even if $100 billion is reached, this is not sufficient. To put this in perspective, the world consumes approximately 99 million barrels of oil per day at a cost of about $5.5 billon; therefore $100 billion represents just 18 days of global oil consumption, and GCF is intended to invest its funds over several years.

61. It is vital that GCF is able to leverage its funds with public and private sector contributions. Prior to establishing the GCF, and as a separate and unique fund, the World Bank managed the Climate Investment Funds (CIF). Donors pledged $8.3 billion to the CIF's with the expectation that the CIFs would be able to leverage an additional $58 billion in co-financing.

62. Experience from the CIFs provides possible lessons for the GCF. In 2014, the five multilateral development banks (MDBs) carried out an independent, joint evaluation, which highlighted the importance of the private sector as a key finding.[19] In response, the GCF created a special private sector facility. The US, the largest contributor, pledged $3 billion to GCF; however, the new administration reduced its commitment to the $1 billion already contributed. Germany is the fourth largest contributor, eighth on a per capita basis. Globally, all countries have signed up to the Paris Accord. In 2017 the USA indicated its intent to withdraw.

[19] https://www.climate-eval.org/sites/default/files/blogs/cif_evaluation_final.pdf

63. A key GCF driver is its push for "direct access" via national engagement. As an indication of the challenge GCF faces in pushing for direct access, to date 17 per cent of the project sponsors are national, 8 per cent are regional, while 75% are international. GCF promotes institutional strengthening and capacity development and tracks carbon reductions, but is primarily a transaction-based institution, that is internal incentives support and encourage deal flow. It is through grants and lending that GCF primarily achieves its stated objectives.

64. The GCF requires that countries establish a NDA[20]preferably, but not necessarily, housed within the Ministry of Finance. This puts the emphasis on national engagement but may also represent a challenge to maximize private sector engagement.

65. The GCF has established an elaborate accreditation process, intended to ensure that national applicants have the capacity to manage resources in line with the fiduciary, environmental, and social standards of the GCF. While laudable, the Evaluation Team notes that many national entities are finding the accreditation process difficult and time consuming. Accreditation requires GCF Board level approval. The GCF Board is approving approximately 20 entities per year, while the waiting list is 198 and counting. To date, only 21 national DAEs have been accredited, and in total 59 entities (national and international) have been accredited. This slow administrative process creates an external constraint to any initiative that aims to stimulate 'readiness' for, and accelerate access to, GCF funding.

66. The UN Environment / UNDP / WRI GCF Readiness Project was designed and established before the GCF Secretariat was fully functional. The nascent state of the funding channel, and lack of clarity about the GCF's objectives and SOPs made designing and implementing the Project challenging.

German Government's Contributions to Climate Finance

67. The UN Environment / UNDP / WRI GCF Readiness Project is supported by a $20 million grant from the German Federal Ministry of Economic Cooperation and Development (BMUB). In 2011 in Durban (COP 17), BMUB and BMZ announced capacity building support of up to Euro 40 million as their contribution towards Climate Finance Readiness Support. Activities of UN Environment are financed via BMUB. Activities of GIZ and KfW are financed via BMZ. In 2013, the original project proposal was submitted to the German Federal Ministry for the Environment, Nature Conservation, Building, and Nuclear Safety (BMUB) by UN Environment, which is responsible for the coordination of the Project, and by UNDP and WRI as implementing partners. The project proposal was presented in the format required by BMUB, with the involvement of the Programmbuero Internationale Klimaschutzinitiative (IKI), Berlin.

68. BMUB explains in its paper "Mobilising Funds to Mitigate and Adapt to Climate Change", November 2015, that Germany stepped up its efforts for climate financing in 2013, reaching an annual contribution of Euro 2 billion in budgetary funds, on the basis of the 2014 figures. Germany is planning to double its annual contribution to international climate finance by 2020. The International Climate Initiative (IKI) is an important element of Germany's contribution to international

[20] This is a specified individual.

climate financing. The overarching goal of the IKI is to deploy funding to encourage transformation and mobilize other resources in the partner countries.

69. The IKI projects often focus on improving the national conditions for developing and implementing financial instruments. These conditions include the basic institutional, legal, and strategic conditions needed for investment in climate mitigation, particularly from the perspective of the financial and private sector, while also aiming at improving the basic conditions for access to public financing sources at international as well as at national levels.

70. As the fourth largest donor to GCF, German was motivated to ensure successful GCF start-up. The German funding of the Project was chosen in order to assists countries to effectively and efficiently utilize GCF financing. Strong project proposals emerging from developing countries are in everyones' interest. Also important was the early involvement of the private sector in developing a project pipeline. The "Microfinance for Ecosystem-based Adaptation to Climate Change in Peru and Colombia" study is an important example of Germany's efforts, undertaken via IKI under the auspices of UN Environment and in cooperation with Frankfurt School (FS). This project builds on the Frankfurt School's strong micro-finance and private sector approach and is part of the reason why they were included in the UN Environment / UNDP / WRI GCF Readiness Project. FS is also a UN Environment collaborating centre with specific expertise on climate finance and climate finance instruments and a key partner for UNEP FI.

71. In 2012, via Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and KFW Development Bank, the German Government also established its own Climate Finance Readiness Programme, operational in 15 developing countries, with a budget of Euro 20 million[21] and with additional financial support from USAID in four of the countries. The countries supported by the GIZ/KfW Climate Finance Readiness Programme include: Bangladesh, Cambodia, four Caribbean Countries (Grenada, Jamaica, St. Kitts and Nevis, and St. Lucia), Morocco, Namibia, Peru, South Africa, Tajikistan, Uganda, Viet Nam, and Zambia. The current phase of this project is expected to end in December 2019. The GIZ/KfW Climate Finance Readiness Programme and the UN Environment / UNDP / WRI Project are running in parallel, with many of the same objectives, but a different set of countries. A future comparison of findings from the two projects would be useful.

72. The African Development Bank has its own GCF Readiness Programme. Finally, GCF provides grants of up to USD 1 million per country to support Readiness activities, plus up to USD 3 million per country for the formulation of national adaptation plans and/or other adaptation planning processes by NDAs or focal points. In addition, countries can apply to the project preparation facility (not considered part of readiness support by GCF) that is specifically for project development related activities. Therefore the UN Environment / UNDP / WRI GCF Readiness Project operates in parallel with other activities, all intended to help kick-start national engagement in the GCF process.

[21] GiZ/KfW Climate Finance Readiness Project budget is Euro 20 million, plus co-finance from USAID and Czech.

II. Evaluation Methods

A. Evaluation Methodology

73. The evaluation is designed and based on UN Environment's evaluation procedures and guidance notes and on OECD-DAC evaluation criteria. Attention is paid to both 'what' has happened and the reasons behind the Project's performance (the 'why'). The Project is assessed against (See Section IV):

- Strategic Relevance,
- Quality of Project Design,
- Nature of External Context,
- Effectiveness,
- Financial Management,
- Efficiency,
- Monitoring and Reporting,
- Sustainability, and
- Factors and Processes Affecting Project Performance.

74. The evaluation methodology utilized triangulation of findings to achieve a common understanding based on the following:

- A preliminary desk review of key documents (Annex B) undertaken to obtain an understanding of what was intended to be, and is reported to have been, accomplished.
- In country visits to produce four Case Studies: Kenya, Ghana, Nepal, and Colombia.
- Progress reports and input from the other five countries on progress achieved (only one of which provided a complete response).
- Semi-structured interviews with key stakeholders, including but not limited to:
  - UN Environment and UNDP Project Managers and staff;
  - WRI and Frankfurt School staff;
  - Country level NDA staff, and staff of organizations seeking GCF accreditation and project approval with support from the Project;
  - National Climate Change coordinators, administrators, and staff;
  - Members of the Project Steering Committees;
  - GCF Staff; and
  - Other relevant resource persons.

75. The evaluation schedule and key milestones are provided in **Table 2**, below.

Table 2: Evaluation Milestones

Date(s)	Key Milestones
9 June 2017	Contracts signed, work commenced
June 27	Preliminary Meeting with UNEP GCF Readiness Project managers in Paris
18-19 July	Introductory workshop with Paris team
11-17 August	Colombia Case Study Mission, with stop-over in NYC to meet with UNDP team
21-27 July	Kenya Case Study Mission
28 August	Inception Report Approved
Sept. 25-29	Ghana Case Study Mission
3-16 October	Nepal Case Study Mission
1 December	Draft Main Evaluation Report submitted
January– March 2018	Draft Main Evaluation Report reviewed for factual correctness
April 2018	Final Evaluation Report accepted

B. Selection of Country Case Studies

76. The four country case studies, which were selected by the UN Environment Evaluation Office in conjunction with the Project Team, cover: Kenya, Ghana, Colombia, and Nepal. These countries were selected to cover regional distribution, represented 'information-rich' cases, and reflected a range of "readiness" states. The case studies contain client confidential information and are therefore not published, but are available from the UN Environment Evaluation Office on request. For the other five countries the Evaluation Team reviewed progress reports and conducted an e-mail survey; however, only one country responded to the survey limiting the usefulness of these data.

77. During the Inception Phase an assessment of the evaluability of the Project was undertaken. It covered completeness of the data, information gaps, and the limitations of this evaluation exercise. The Evaluation Team also looked at the possibility of establishing a counter-factual (i.e. what would have happened without the Project) (see tables 3 and 4 below). While the approach outlined in the tables below only looks at one dimension – design and approval of actual GCF Projects - it demonstrates the challenge of establishing a good counterfactual. While it would have been interesting to visit countries that have not received any support from the Project, the budget did not allow for visiting such countries (bottom left and right boxes in Table 3). The Evaluation Team has paid attention to the progress reported in countries not involved in this Project, and in evaluations of other related initiatives, in order to provide insights into alternative courses of action.

78. It is noted that in Table 4 the approved Kenya project mentioned was not the result of this Project, but rather a private sector initiative started in advance of

the Project. During the evaluation period, only Colombia has had a project supported under the Project, approved by GCF.

Table 3: Evaluation Counterfactual Matrix

(Based on GCF projects approved through August 2017. Case countries in bold and caps.)

	Countries With GCF Projects	Countries Without GCF Projects
Countries With Readiness Programme	Country selected that has a Readiness Programme project, which has resulted in GCF project in the pipeline.	Country selected that has a Readiness Programme project, but no clear GCF project as yet (early days).
Countries Without Readiness Programme	Country selected that has a GCF project that was not directly affected by the Readiness Programme - perhaps approved prior to UNEP's intervention.	Country selected that does not have GCF project and lacks any Readiness Programme.

Table 4: UN Environment/UNDP/WRI GCF Readiness Project

(Based on GCF projects approved through August 2017. Case countries in bold and caps.)

	Countries With GCF Projects	Countries Without GCF Projects
Countries With Readiness Project	Uzbekistan, Fiji, KENYA, El Salvador	Benin, COLOMBIA, GHANA, NEPAL, Philippines
Countries Without Readiness Project	India, Solomon Islands, Morocco, United Republic of Tanzania, Tajikistan, Egypt, Samoa, Cook Islands, Vanuatu, Uganda, Mauritius, Argentina, South Africa, Mongolia, Madagascar, Namibia, Senegal, Ecuador, Pakistan, Chile, Sri Lanka, Tuvalu, Tajikistan, Vietnam, Mali, Gambia, Armenia, El Salvador, Maldives, Mexico, Rwanda, Bangladesh, Senegal, Malawi, Peru	ALL OTHERS

C. Limitations of this Evaluation

79. This evaluation faced several limitations which, taken together, have made it challenging for the evaluation to arrive at a clear assessment of performance. This also limits the lessons that have been discernible. The Project Team is currently drafting a substantive lessons learned report.

80. At the request of the Project, and with the agreement of the funding partner, this terminal evaluation was initiated at the earliest time allowable under the UN Environment Evaluation Office Policy, six months' prior to the project's planned end date (i.e. initiation in June 2017). The first country visit, to Kenya, took place

in August 2017. Early terminal evaluations face the challenges of all planned activities not being completed and/or the documentation of the interventions' work not yet being documented and shared among key project stakeholders. This can, quite naturally, lead to more fragmented and varied views from respondents than would have been presented had the evaluation been initiated in the months following project completion.

81. The Project had previously agreed with the funding partner not to undertake a mid-term assessment but, instead, to schedule an early terminal evaluation. While this may have appeared a sensible course of action at the time, given that this was a new area of work (and that it may have been thought that the mid-point would be too early to discern useful findings), the opportunity to reflect collectively on the Project's design and early experiences, to document any key changes to the results framework and to consider possible formative insights and course corrections was lost.

82. Early in the evaluation process several key project management staff moved on from their project positions. This included the former and incumbent Project Managers at UN Environment Paris office and a key member of the project team at UN Environment in Nairobi, plus key staff from WRI. Within UNDP a key member of staff was also on a temporary leave of absence. All of these people were more than willing to make themselves available to the evaluation, made contributions to, and have commented on, the draft Evaluation Report. At the same time, some continuity of experience and knowledge may have been lost as new staff members took their places. In addition, evaluation processes are designed to assess results and the long-lasting effects of an intervention. While documents can often be retrieved from individual computer files and made available for review, an evaluation process gives priority to the evidence that is available institutionally, centrally and/or has been widely shared.

83. The GCF funding mechanism is a new source of climate change financing and it was only in 2015 that the first institutional entity was accredited under the Fund. The GCF mechanism has features that are both similar to some existing financing mechanisms and different from others. At this early stage in the Fund's development the operational modalities are still being formalised, its distinctiveness is still emerging, and levels of experience are varied.

84. The Project's efforts have been primarily directed towards institutional strengthening and capacity building. Evaluation experience shows that such activities result in outcomes that are best measured and achieved over a 5-10 year period, or more. Short-term results may be misleading: someone may receive training and initially be very proactive but then move onto an unrelated job, while another person may have limited initial opportunities to act but subsequently be promoted into a key position where she/he can have significant influence on climate financing. As several of the country programmes currently involve UNDP-led Programme Management Units (PMU) it is not possible to conclusively assess the impact of institution strengthening activities until after the PMUs are closed down.

85. Finally, in this case the terminal evaluation[22] was undertaken prior to Project completion. Many activities are on-going and more progress on achieving the outcomes may be realized before the Project reaches technical completion.

III. The Project

A. Context

86. As described in Section I of this report, the GCF was initially proposed in 2010 and began operations in 2015. In establishing the GCF, the signatory members established clear guiding principles[23], specifically that:

- The GCF would be split 50:50 between *adaptation* and *mitigation*. Countries that are being most severely impacted by climate change, and which are economically less able to respond, would receive priority for grant financing[24].
- The GCF also recognized that mitigation is a global priority and if we are to limit temperature rises globally then any reductions in emissions, no matter where, are important. There is also an acknowledgment that it is often far cheaper to reduce emissions in developing countries than in developed countries. Thus concession lending is considered appropriate, i.e. market distorting.
- 50 per cent of the funding is targeted towards the private sector. While private sector operations are traditional contributors to GHGs, for example coal fired power plants; the private sector could and should also be part of the solution, for example investments in renewable energy as a replacement to older fossil fuel based plants. Leveraging of private sector funding is seen as key to achieving meaningful emissions reductions.
- The GCF sought to work directly with national governments and local entities via what is termed "Direct Access." To achieve this, each country was expected to establish a NDA. All projects would be channelled through the NDA to ensure alignment with national priorities. Further, both international and national entities would go through an accreditation process prior to receiving funding to ensure full consideration of internationally accepted fiscal, environmental, and social standards, including gender. By comparison, for Multilateral Development Banks (MDBs) such as the Asian Development Bank and IFC[25], the process of accreditation and project approval are combined into a single step prior to Board approval. This results in a potentially quicker but arguably less transparent process, which may have a different level of national ownership.

[22] This evaluation process is referred to as an 'Evaluation' as it no longer represents the project's terminal situation and achievements.
[23] See GCF 101 on GCF's webpage.
[24] GCF has yet to define the portion of grant financing available and the amount of co-financing expected. An initial project received 100 per cent grant financing, while more recent approvals have provided 25 per cent or less, with the rest coming from co-financing, in-kind contributions, etc.
[25] The implementing partners point out that financial institutions operate under a different mandate and follow different approaches from development-oriented organisations such as UN Environment or UNDP. Comparisons have been kept as the project had the stated intention of working with the private sector, where the financial institutions have more experience.

- The Vulnerable 20 (V20) was formed by a group of countries most impacted by climate change. This group has been a voice within the UNFCCC process, to lobby for the need of the most vulnerable nations to address adaptation issues and that adaptation investments should be largely grant based. The GCF recognizes and responds to this reality.

87. Prior to GCF, and to help in its design, the World Bank established the Climate Investment Funds (CIFs), co-implemented by all five MDBs. As noted above, the CIFs were evaluated jointly by all MDBs in 2014. In addition, since 1992 the Global Environment Facility (GEF) has been programming climate change activities, as have several bilateral aid agencies. Thus, the nine-targeted countries had varying degrees of prior experience in designing and programming climate change activities, for example Kenya has 114 approved GEF projects[26].

88. The perception of the German government, UN Environment, and UNDP was that GCF presented an important opportunity for developing countries, but also presented significant challenges requiring new institutions and new ways of engaging ("Direct Access"). Specifically, it was felt that countries needed:

    - Institutional strengthening to create new entities (NDA and NAEs) and the appropriate legal and regulatory framework to support climate change investments; and

    - Capacity building to create a cadre of staff to work on climate change at the national and local level.

    Therefore the GIZ/KfW Climate Finance Readiness Programme and the UN Environment / UNDP / WRI GCF Readiness Project were both established to work at the national level on GCF Readiness (see paragraphs 62 to 66).

89. At design, the main external challenges faced by the project included:

    - The fact that GCF was still in its infancy, with key policies, SOPs etc. not yet defined. Further, countries require registration of international organizations like UNDP and the World Bank. GCF lacks country offices and has yet to register in several countries, which itself can be a timely process;
    - A push by some of the V20 to focus on adaption prior to mitigation;
    - Denial of climate change by some political parties in developing and developed countries; and
    - The fact that climate change may not be the first priority in several countries. Overseas Development Aid (ODA) funds are limited, countries face debt ceilings, and may consider health, education, and industrial and agricultural development a higher priority. Proponents of GCF funding at the national level must compete with other Ministries. Debt ceilings may limit a country's access to loans from GCF, particularly when future lending is already heavily mortgaged (i.e. long-term commitments for say, health care or education).

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[26] Source: GEF website. Source: https://www.thegef.org/country/kenya. Post the evaluation, now up to 120. GEF has provided Kenya with $674 in grant financing generating $4.24 billion in co-financing. Of the most recent $19 million round funding, $4 million is dedicated to climate change.

B. Objectives and Components

90. The Project's objectives, outputs, and outcomes are articulated differently in different parts of the Project's implementation mechanism. Annex D, Table D1 compares three possible Results Framework: (i) as defined in the initial BMUB proposal; (ii) as recorded in PIMS; and (iii) as observed in the four country assessments. While structurally different, there are broad similarities. For this evaluation the results expressed in the funding agreements with BMUB are taken to represent the intended outputs, outcomes and long-term intentions.

91. The overarching goal of the Project is "to prepare countries to access, manage, deploy, and monitor scaled-up financing through the Green Climate Fund". This is to be achieved via two outcomes: i) "institutional capacity of national entities is built and strengthened, with a focus on enabling direct access to climate finance" and ii) "climate change mitigation and adaptation investment strategies, programmes and projects (including development of pipeline for GCF funding), including through the active involvement of the private sector, are developed". (Project Agreement, 2013).

92. The initial proposal envisioned a well-conceived menu of possible activities based on two work packages and ten modules (listed below) that would drive the achievement of the two stated outcomes in an holistic way. These were used to derive country specific work programmes. Each country was encouraged to select its preferred and/or most needed modules. This resulted in some variation across the nine countries. The agreed country workplans vary, are broadly similar, but with some significant differences. These differences have led to a level of variability at a country level that is difficult to aggregate. Annex D, Table D2 compares the expected "results" and "outputs" for each of the nine countries. Country level workplans do not articulate explicitly how each country workplan contributes to the Project's overall stated outcomes, nor are they clearly mapped onto the Project's stated results framework. The annual reports to BMUB do link the country workplans back into the 10 modules. Finally, the management team lacks a Gantt chart, or similar scheduling tool, connecting the scheduling of all activities.

- **Workpackage A**: Building/strengthening the institutional capacities of national entities, with a focus on enabling direct access to GCF funding:
    - **Module 1:** Map the financial structure and capacities of national systems for managing adaptation and mitigation finance across various institutions and levels.
    - **Module 2:** Develop national and or sectorial financial planning capacities to understand, allocate, and communicate financial needs related to climate change.
    - **Module 3:** Assist countries in identifying, establishing, and strengthening implementing entities (IE) and national designated authorities (NDA) in order to access climate finance.
    - **Module 4:** Develop systems including tools and methods for national and sub-national monitoring and reporting on climate finance including its results.

    - **Module 5:** Establish communication linkages between national and regional readiness activities and on-going global processes.

- **Workpackage B:** Preparation of country programmes and capacity developed to design and deliver a project pipeline for GCF support.
    - **Module 6:** Facilitate national level climate investment consultations.
    - **Module 7:** Prepare guidelines and tools for climate related assessments and for identification and formulation of proposals for funding.
    - **Module 8:** Develop capacity of countries to design and deliver a pipeline of climate projects and provide them with targeted technical and financial support in order to make them bankable.
    - **Module 9:** Train local financial institutions to build up the skills required for climate related investment activity.
    - **Module 10:** Provide technical assistance and funding support to local financial institutions to develop new financial products for prioritized climate sectors.

93. The project team mapped the country specific outputs back to the proposed modules, based on the actual country-specific workplans (Table 5, below). **Module 5** was only selected by three counties; while **Module 7** and **Module 8:** were selected by all nine countries. During field interviews, some current NDA staff were found to be unaware of the initial module structure.

94. In order to establish justifiable findings of the performance of the Project itself, a Theory of Change was needed that reflects the consolidated understandings of the initiative among all parties and at all levels. Section IV of this report provides more detail on a proposed reconstructed ToC. The Evaluation Team proposes the following consolidated explanation of the Results Framework:

- **Inputs** (Technical Assistance, Study Tours, and software): Provision of technical assistance, software, tools and study tours to government focal points, institutions, NGOs and relevant private sector actors to develop a climate change government architecture to manage climate change financing; new climate change proposals; new financial products and services; and to support the DAE accreditation process.

- **Objective:** The overarching objective of the UN Environment/UNDP/WRI GCF Readiness Project is to prepare countries to access, manage, deploy, and monitor scaled-up financing through the Green Climate Fund.

- **Outputs:**
    - **Institution Strengthening** – working with and providing the technical advice, tools, and training to establish well-functioning NDAs and national implementing entities able to deliver via GCF's direct access mode. While there are no limits to the Project working with international entities, and in fact in several counties the Project has (for example with FAO and IUCN), there appeared to be an understanding that neither international agencies nor the

international private sector needed support and the Project would emphasise national entities.

- **Capacity Building** – providing the skills training to develop a cadre of professional staff at the national and local levels able to staff institutions and design and deliver both adaptation and mitigation projects, both in the public and private sectors.

- **Outcomes:**
  - **Institutions:** National institutions (NDAs, NAEs, Direct Access Entities, Executing Entities, etc.) with the knowledge, skills, staffing, and legal frameworks in place to effectively and efficiently manage GCF-based climate finance within the broader national Government budgetary process.
  - **Projects:** A series of GCF-funded adaptation and mitigation projects contributing to GHG emissions reductions, climate resilience, and growing economies.

95. **Institution Strengthening:** Institution building / strengthening is a key focus of the Project. There are various relevant papers by UNDP and by the World Bank Institute that define Institution Building. Broadly it can be interpreted as improving and enhancing the institution as an on-going entity by strengthening access to knowledge and training (capacity building) of permanent staff. For GCF the focus is on government institutions and direct access. In the context of this Project, the primary focus was on the NDA's and NAEs. As a measure of successful institution building, one would expect to see a well-staffed government body with a climate change architecture of supporting climate change acts, policies, strategies, and action plans in place and operational. Knowledge sharing is also a critical part of institution strengthening.

96. **Capacity building:** Capacity building is about providing the government staff with the relevant training, skills, and tools to (i) carry out the mandate of the institution, (ii) design, implement, manage and/or supervise projects, and (iii) monitor and assess climate change indicators (both financial and environmental) for international reporting. In all four countries visited, the Team found well trained, confident, and capable individuals, both in and outside of government. These individuals had been the beneficiaries of multiple donor-provided (e.g. GEF, DfID, DANIDA, JICA, USAID, etc.) capacity building projects. The Project is only one of a long string of projects providing capacity building at the national level. Equally, staff of the implementing partners are / were very professional, extremely well qualified, and dedicated.

97. There are two key issues of concern related to capacity building:

- Government salaries are often much lower than UN / NGO / donor / private sector salaries – in some cases as much as 10-fold lower (as is the case in Uzbekistan). Without government salary reform, which is well beyond the scope of this project, it is difficult to retain well-qualified staff.

- Several beneficiaries of the capacity building provided were, in fact, Project staff, such as the National Coordinators (contracted by UNDP), their staff, and individuals in the implementing partner's headquarter offices. Local staff will likely remain in country in one capacity or another. Many of the international staff have left, or are leaving, both the project and the sector.

98. **Targets:** The country work programmes also include targets, averaging two entities achieving GCF accreditation and two projects submitted to GCF for approval. Given the previous history of capacity development in the selected countries, levels of secure funding (USD 20 million), and the planned duration of the Project (4 years), the evaluation team considers these targets modest. The team acknowledges that the scope of the project at design was ambitious but this challenge was addressed by engaging the expertise and contributions from four experienced implementing partners. However, various factors that delayed the Project's progress, contributed to these targets becoming more realistic.

Table 5: Implementation of 'Modules' Across the Nine Implementing Countries

	Benin	Colombia	El Salvador	Fiji	Ghana	Kenya	Nepal	Philippines	Uzbekistan	Countries Selecting Modules
Work package 1										
Module 1	X	X	X	X	X		X		X	**7**
Module 2	X	X	X	X	X				X	**6**
Module 3	X		X	X	X	X	X	X	X	**8**
Module 4	X	X	X	X	X				X	**6**
Module 5	X			X					X	**3**
Work package 2										
Module 6		X	X	X	X		X	X	X	**7**
Module 7	X	X	X	X	X	X	X	X	X	**9**
Module 8	X	X	X	X	X	X	X	X	X	**9**
Module 9	X		X	X	X	X			X	**6**
Module 10	X	X	X		X			X		**5**

C. Stakeholders

99. The main stakeholders are national entities, both government and direct access entities, who are preparing climate change mitigation and adaptation investment strategies, programmes, and projects. National and international private sector entities (corporations and financial institutions) are also key stakeholders.

100. The GCF architecture involves various parties at the national, regional, and local levels, specifically:

- In each GCF country the National Designated Authority (NDA) acts as a focal point for national and local entities to efficiently engage with the Fund through the Direct Access window. The GCF has the capacity to provide support and funding, in the form of grants, for strengthening the institutional capacity of NDAs.
- The GCF also has an accreditation process to approve *Accredited Entities* (AEs) whose function is to develop funding proposals to be considered by the Fund and oversee, supervise, manage, and monitor their respective GCF-approved projects and programmes. There are two types of GCF AEs, based on access modalities: *National Entities* (Direct Access) and *International Entities*. Accredited Entities may, therefore, be government entities or international entities such as the World Bank, UNEP, UNDP, NGOs, financial institutions (international and national, both public and private) that provide funding for projects, and private corporations.
- The final level includes programme or project executing entities. These may be sub-regional government agencies implementing a public sector project; quasi-governmental organizations for example public private partnerships (PPP); non-government organizations (NGOs); and/or the private sector.

101. The stakeholders are identified at a fairly generic level in the ProDoc. This may be partially due to newness of the GCF funding mechanism and consequent uncertainty regarding key players. More specific descriptions are contained in country progress reports where country specific activities are described in more detail, and in the four case studies prepared for this evaluation.

102. The GCF process allows for community and civil society engagement at many levels during design and implementation, both directly through project implementers, via governmental institutions, and through various complaints mechanisms.

103. Organizations like FAO, IUCN, and NGOs working on adaptation play a key role in ensuring that marginalized groups have a voice and are beneficiaries of GCF funding. That said, the Evaluation Team felt that the Project could have done more to directly engage with marginalized groups, for example, NGOs could have been given observer status on national level steering committees.

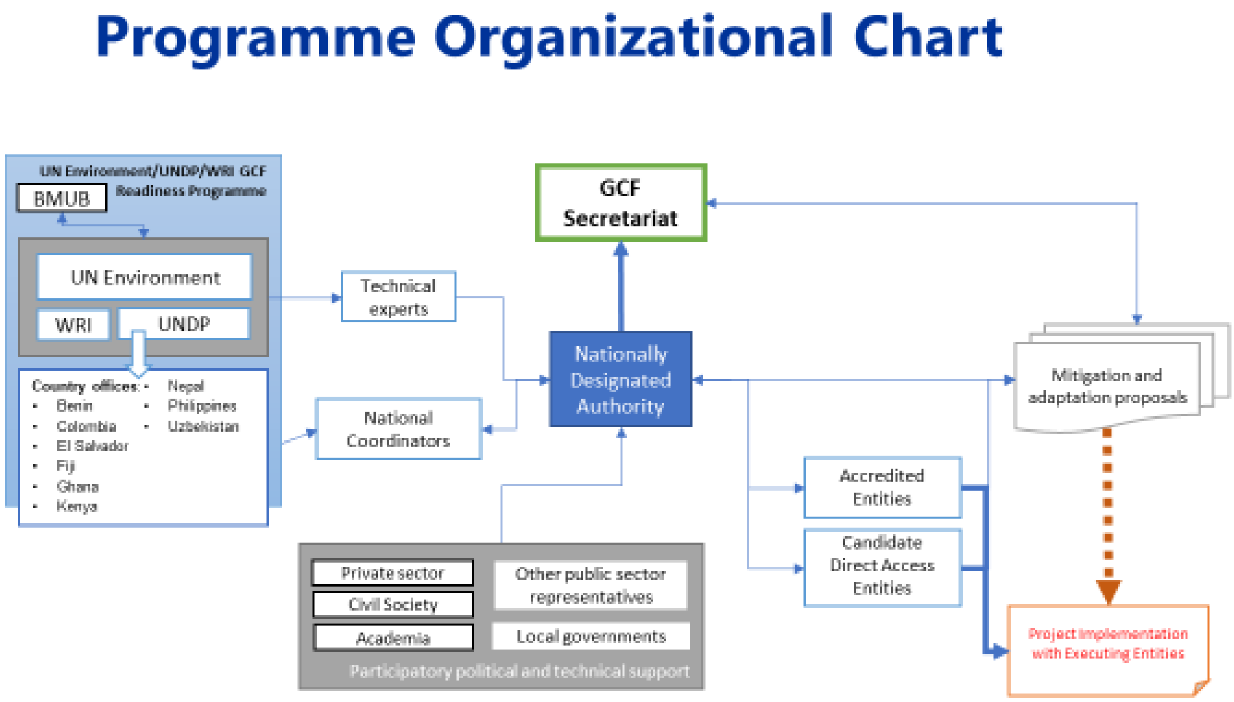
104. The GCF, this Project's project documents, and both UN Environment and UNDP's institutional policies all call for expanding the role of women. It is possible to conceive of gender-based programmes that would be suitable for GCF, for example replacement of charcoal ovens with solar cookers; gender-specific targeted; or capacity building activities to support young women becoming environmental engineers, lawyers; etc. The Evaluation Team found evidence of women referred to generally as "project beneficiaries," and examples of gender action plans, but saw no evidence of any efforts to specifically target women either through

capacity development under the Project or via projects under development for submittal to GCF[27].

D. Project Implementation Structure and Partners

105. The Project's structure is shown in the diagram below, as taken from the project documents.

Figure 1: Project Implementation Structure



106. At the Project level, the Project included a Project Steering Committee representing the donor and the three implementing partners. This Project Steering Committee met once a year. It served as an update on progress and issues going forward. A well-structured annual progress report was also prepared and submitted to BUMB, but the Project does not publish an Annual Report. Such a report, even during the early stages of implementation, could have served to reach a broader audience contributing to knowledge on experiences with GCF funding.

107. Steering Committees (also referred to in some countries as Boards) were established at the national level, with both Government and implementing partner representation. These served as effective and positive mechanisms to (i) monitor implementation; (ii) promote the Project; and (iii) ensure reach and coordination across the government.

[27] It is noted that at least one proposal targeting the needs of women has been submitted to the GCF but was not approved.

108. Despite the project design and assertions from implementing partners to the contrary, at the national level, the National Coordinators described their role as managing the UNDP component and providing coordination for UN Environment and WRI activities[28]. They did not see that they had oversight over the other implementing partner's activities, or that they were responsible for ensuring successful completion of all activities at the country level. The Evaluation Team was of the opinion that the National Coordinators should have been given greater oversight and measures taken to strengthen their identity as joint UN Environment / UNDP staff. However, it is noted that in some countries it took awhile to recruit the National Coordinators.

109. For UNDP, the local Country Offices were engaged for implementation of the national projects. Project funds were advanced to Government ministries to deliver activities. With these funds, national project managers and targeted expertise (local and international consultants) were also procured. Technical input from UNDP's global coordination office was delivered continuously either virtually or in person in all nine countries.

110. With the focus on private sector involvement, the Frankfurt School of Finance and Management ("FS"), one of the collaborating centers of UN Environment, supported the implementation phase in the following six countries: Benin, Colombia, Ghana[29], the Philippines, Kenya and El Salvador. The other UN Environment collaborating center involved in the Project is the Danish Technical University (DTU). DTU's work focused on Ghana and Benin. In Ghana, DTU provided support and advice for the development of a Ghana Green Fund bill and provided inputs on the Environmental Fiscal Reform policy. In Benin, they provided support and advice for the national climate law that will be presented for validation to parliament in early 2018.

111. UN Environment staff act as the overall coordinators of the Project with a Project Management office located in Paris, and with technical support from the Nairobi office, partly reflecting the UN Environment divisional split. UNDP has a global coordination office for the Project in New York and delivers its inputs via National Coordinators and technical experts located in the nine countries. WRI is based in Washington DC and delivers its inputs via its own experts. The National Coordinators support the work plans for all partners.

112. While UN Environment is the senior partner in this equation and responsible for overall coordination, the term "partnership" best describes the working relationships between the three entities. UN Environment does not provide oversight on UNDP or WRI activities, nor is UN Environment seen as providing strong overall leadership and direction. Each partner works somewhat independently, with the Paris Office acting as the coordination and reporting node.

113. As UN Environment does not operate through a network of field offices, it was decided that UNDP would have leadership over all nine country programs. UN Environment limited its role to providing short-term consultancies (both staff and external experts) and backstopping from its offices in Nairobi and Paris.

114. UNDP's implementation modalities contributed to delays in implementation. UNDP's Implementation Modalities are structured as follows:

- UNDP prepares a project document for all projects (either based on "National Implementation Modality" (NIM) or based on "Direct Implementation Modality" (DIM)). This project document needs to be approved and signed by the Government partner and UNDP prior to start of implementation.
- Under this Project the NIM modality was chosen for Benin, Ghana, Uzbekistan, Nepal, Philippines, and Kenya. The NIM modality means that a Government entity (Ministry of

[28] WRI completed some of its activities in some countries prior to recruitment and appointment of the National Coordinator.
[29] In Ghana UN Environment also used another organization, Base.

Finance / NDA) is directly concerned with planning implementation and management of the project's activities and results. UNDP is responsible for technical and financial oversight, in other words accountable for effective and efficient use of resources.

- The DIM modality was chosen for Colombia, El Salvador, and Fiji. The DIM modality means direct implementation by the UNDP Country Office with guidance from the Government and the UNDP Global Project Manager. UNDP assumes the responsibility for mobilizing and applying effectively the required inputs to reach expected outputs. UNDP also assumes overall management responsibility and accountability for project implementation.
- The reasons for choosing one of the two modalities and the experience with both modalities are:
    - Country governments elect which implementation modality they would like, based on their capacity. If the country government does not have dedicated personnel that are trained in the appropriate topics and processes to support national implementation, they will ask UNDP to support them in this capacity. Some countries that *do* have this capacity still elect to have UNDP implement activities directly because they do not want to allocate resources (Colombia is an example of this).
    - Each modality has its advantages and disadvantages; the results depend very heavily on the government, their baseline capacity, allocation of resources, and prioritization of GCF direct access, so it is difficult to make an accurate statement that would reflect experience across nine countries and put one modality over the other.
    - Finally, project documents serve as the only legal framework of the engagement of UNDP in the country and as the basis of government ownership of any project. For the purposes of this Project, UNDP project documents include management arrangements for the execution of the Project (including composition of the Project Board) and map the activities, budgets, and work plans of all three partners, as a blueprint that Governments could follow through the life of the project. The design and Government approval of such documents affected the official launch and start of some activities.

115. There is one problem with this approach. At start-up, most countries lacked a government-based project implementation team. NDAs were just being formed and lacked qualified staff. UNDP's approach was to utilize project funds to staff up a project management unit (PMU). In the short-term this is effective: a qualified team is put in place and works to achieve desired outcomes. However, UN salaries are significantly higher than national salaries, thus this approach is not sustainable. At the point when the programme is transferred to the appropriate national entity, new staff will need to be hired who therefore lack capacity building benefits provided under the project.

E. Changes in Design During Implementation

116. Results frameworks were developed in the following sequence: UN Environment project documentation and approval process and creation of the initiative within the Project Information Management System (PIMS); project design, submission and approval with BMUB; and development of country specific work programmes. The results framework in PIMS represents the alignment of the Project, and its contribution, to the UN Environment Programme of Work. This framework was not updated when the funding agreement with BMUB was confirmed; although, there is a standard procedure for doing this within UN Environment. The alignment of country specific work programmes with the Project's stated outcomes has also varied, with some countries stopping at output level (e.g. Colombia) and other's drafting different outcome statements (e.g. Kenya).

117. No formal revisions of the BMUB project document or results and targets were presented to the evaluation team. Relatively minor changes to workplans were discussed and endorsed in the Steering Committee and are reflected in the minutes.

118. There have been delays in the start-up of specific country programmes. The impacts of delays are discussed further in Section V. Delays are understandable due to the newness of GCF, competing priorities, and UNDP's need to negotiate the Project with host counties. However, delays have a real and negative impact in not addressing the needs of local populations most affected by climate change (adaptation) or reducing GHG emissions (mitigation), thus have local and global implications. Ideally, substantial delays should prompt a project management response in the form of workplan revisions or course corrections. Such adaptive management was not evidenced.

119. The Evaluation Team understands that a second extension of the Project through to December 2018, which represents a two-year extension on the original end date of December 2016, has been approved.

F. Project Financing

120. **Table 6** below summarizes the project financing by funding source. All funds ($20,662,500) for the Project were provided by BMUB. None of the three partners contributed to the financing of the Project, nor was there any leveraging of resources from other donors.

121. All the funds were channelled through UN Environment as can be seen in **Table 7**; however, a significant portion was managed as pass-through to UNDP (38 per cent) and WRI (7 per cent). The Frankfurt School and support from the Technical University of Denmark come under the UN Environment portion of the budget.

122. Financial reporting through December 2016 was provided to BMUB in June 2017. UNDP and WRI both report expenditure data to UN Environment by country and activity. However, the Project is not able to produce consolidated accrual or expenditure reports that can be disaggregated by partner, country, and activity. This is a serious constraint to effective project management and is addressed in Section V: Evaluation Findings.

123. An UN Environment-wide audit was completed in November 2017, but does not specifically comment on this Project. BMUB may request an audit, but it is not a project requirement. As UN Environment and its partners effectively function as a contractor and given the size ($20 million) and complexity of the Project (three partners and nine countries) an end of project financial audit may be useful. This is for BUMB and UN Environment to determine.

Table 6: Project Funding Sources

Funding source	Planned funding	Per Cent of planned funding	Secured funding	Per cent of secured funding
Cash				
Funds from the Environment Fund	$0	0 %	$0	0 %
Funds from the Regular Budget	$0	0 %	$0	0 %
Extra-budgetary funding (Germany):	$20,662,500	100 %	$20,662,500	100 %
Sub-total: Cash contributions				
In-kind				
Environment Fund post costs	$0	0 %	$0	0 %
Regular Budget post costs	$0	0 %	$0	0 %
Extra-budgetary funding for posts (Germany)	$0	0 %	$0	0 %
Sub-total: In-kind contributions				
Co-financing*				

Co-financing cash contribution	$0	0 %	$0	0 %
Co-financing in-kind contribution	$0	0 %	$0	0 %
Sub-total: Co-financing contributions	$0	0 %	$0	0 %
Total	$20,662,500	100 %	$20,662,500	100 %

Source: UN Environment

*Funding from a donor to a partner which is not received into UN Environment accounts, but is used by a UN Environment partner or collaborating centre to deliver the results in a UN Environment – approved project.

Table 7: Budget Breakdown by Partner by Country to end December 2016

Partner	Colombia	El Salvador	Benin	Ghana	Kenya	Nepal	Philippines	Uzbekistan	Fiji	Totals per partner USD	Per Cent
In-country activity budget total USD	**$2,149,051**	**$1,596,355**	**$1,712,540**	**$1,776,774**	**$1,293,808**	**$1,646,530**	**$1,573,056**	**$1,494,890**	**$1,085,693**	**$14,328,9897**	**100%**
Total UNEP*	$1,008,642	$713,855	$865,944	$923,430	$746,030	$1,021,530	$318,201	$247,201	$406,647	$6,251,480	44%
Total UNDP	$512,937	$692,500	$656,596	$663,344	$132,900	$435,000	$1,046,800	$1,084,057	$262,708	$5,486,842	38%
Total WRI	$403,472				$224,878		$81,055		$200,346	$909,751	6%
National coordination	$224,000	$190,000	$190,000	$190,000	$190,000	$190,000	$167,000	$163,632	$215,992	$1,720,624	12%
Global Coordination										**$3,817,246**	100%
Total UNEP										$2,107,107	55%
Total UNDP										$1,063,000	27%
Total WRI										$647,139	17%
Other											
UNEP Evaluation										$85,000	
Project Support Costs										$2,377,101	
Grand Total										$20,608,044	

Source: UN Environment

*Both the Frankfurt School and the Danish Technical University act as resource centres for UN Environment and come under their budget.

IV. Theory of Change

A. Reconstructed Theory of Change (ToC) for the Programme

124. During the Inception Phase, the Evaluation Team provided a Theory of Change (ToC) at Design. This was discussed with the Evaluation Office of UN Environment and the Project Team. It was agreed that the results framework in the funding agreement with BMUB was the most appropriate guiding framework. However, some elements, namely, (i) the articulation of consolidated outputs over and above the 10 work modules and (ii) the long- term impact were not present in that documentation and had to be 'reconstructed' based on the implied intent of the project design.

125. A revised ToC at Evaluation is presented in **Figure 1**. This also benefits from the Evaluation Team's understanding of the project gained during the four country visits and is proposed as an accurate reflection of current operations. This evaluation is based on this revised ToC. The ToC is reasonably simple, two outputs leading to two outcomes, one intermediate impact, and one overall impact. Looked at this way, the Project is relatively straightforward: technical assistance was provided to support institution strengthening and capacity development, leading to effective climate finance systems and a portfolio of GCF projects, that contribute, in the longer term, to reduce GHG and increase climate resilience. The Evaluators' focus on development of a solid project pipeline is consistent with BMUB's expressed wishes. The March 2016 Project Steering Committee minutes state:

- "Programme partners were advised to take a two-track approach, by identifying projects that can be submitted quickly without compromising ambition. The need to develop high quality bankable projects was stressed by BMUB, including developing a project pipeline outside of national implementing entities where relevant."

126. Several contributing conditions, expressed below as 'assumptions' and 'drivers' are, however, critical in influencing the level and nature of the Project's success.

Assumptions:

127. UN Environment considers 'assumptions' to be contributing conditions that are largely *outside* the sphere of influence of the initiative. The ToC at Evaluation is based on the assumptions that Global "extreme climate" events continue to provide a driver for action. All nine countries continue to experience the adverse impacts of climate change via droughts, flooding, coastal erosion, changing crop patterns, and migration with significant economic impacts. The assumptions underlying this project include:

- Governments are committed to addressing climate change as demonstrated by a willingness to establish and fully staff the NDA: all nine governments supported climate change, but many put adaptation ahead of mitigation, and climate change faced competing priorities for access to ODA.
- Government salaries are competitive with those of NGO, international agencies, and the domestic private sector such that government agencies can hire and retain well-qualified staff: it was clear that in several countries, inadequate government salaries make the sustainability of capacity building activities a challenge. The conclusive test of this assumption will only come at the close of the project, when the PMUs staffed and funded by UNDP under this project are closed down, and the functions are transferred to the Government.
- Governments enact enabling climate finance related laws, regulations etc., including creating / supporting business-enabling environment for climate finance, (this links back to the first assumption): the countries varied in the development of national climate

change architecture. For the four countries visited, the need for creating a business enabling environment to encourage private sector engagement in addressing climate change was limited to workshops and focus groups and did not address issues such as the need for renewable energy, supportive feed-in tariffs, supportive taxation polices, energy efficiency rebate programs, etc.

- GCF is able to process applications for accreditation and able to review and approve projects in a timely manner: although this condition is outside the immediate influence of the project it appears to be a significant constraint on project success and should be factored into any future project designs until such time as the GCF process is fully established. As GCF becomes more operational, effective, and efficient in processing applications, and as a result, is seen as the "go-to" partner for climate financing, countries will increasingly turn to GCF. Through much of the Project's timeline, GCF was in a start-up mode and has not delivered in a timely a manner. Ministries of Finance in the implementing countries saw other players (e.g. the World Bank, IFC, AfDB, ADB, IDB, EBRD, and EIB) as more important players. GCF's own future success to deliver is a key contributing condition for success at the country level.
- It is important that the country selection process allows for the best entities to emerge and does not result in favouritism: while accreditation seeks to ensure that the most capable national entities are selected and empowering the NDAs to screen entities should ensure that projects approved are well aligned to national priorities, there is a risk of favoured or bias selection. The GCF offers access to millions in grant financing and concession-based loans. GCF funds are intended to be market distorting to help promote investments in climate change. Given the volumes available, and the focus on direct access, it was not clear that favouritism in selection could or would be avoided. In some countries, for example Nepal and Ghana[30], there was an open and competitive selection process to choose those national entities that were supported under the Project; while in other countries the selection process was less transparent.

Drivers:

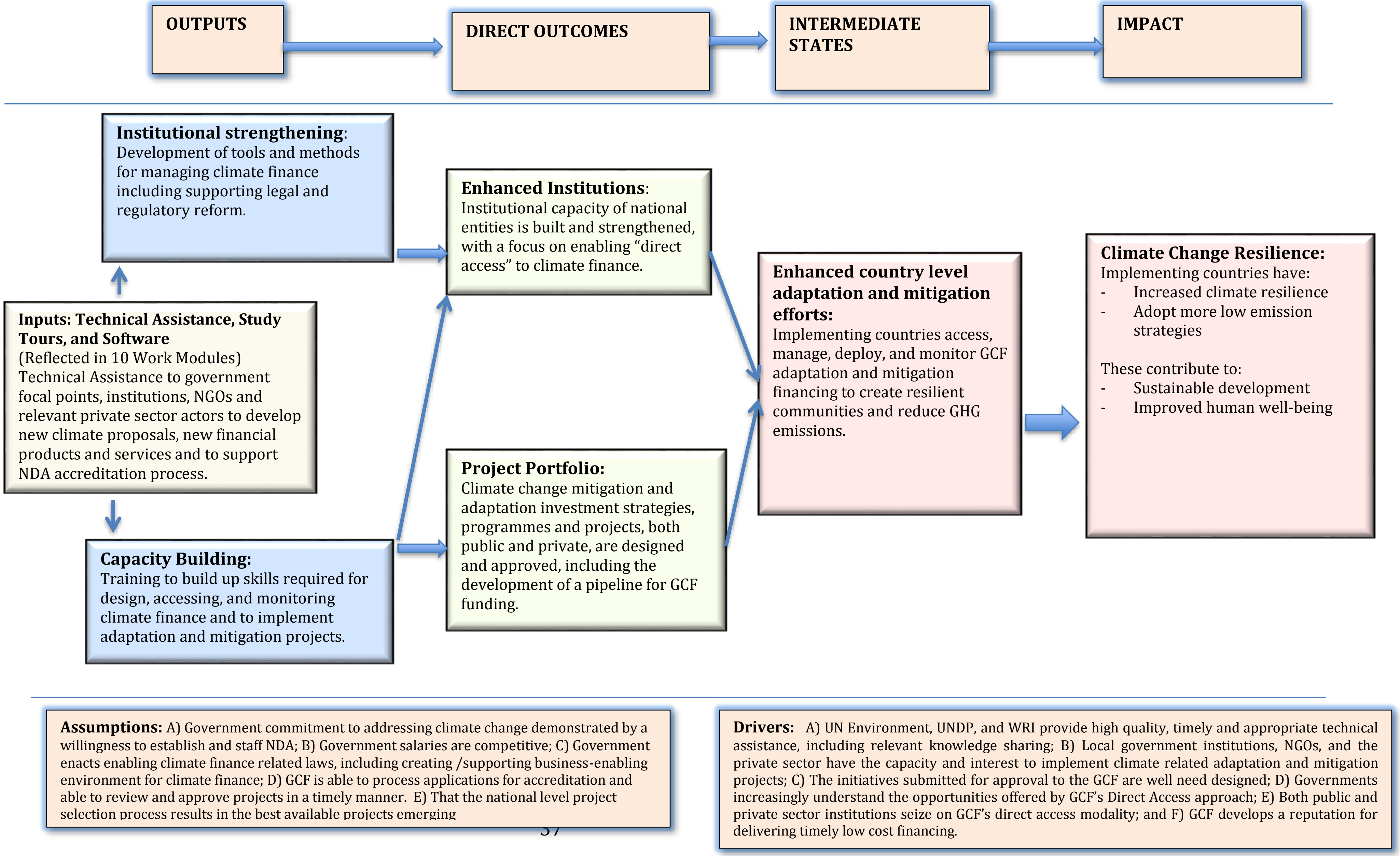
128. UN Environment considers 'drivers' to be contributing conditions that are largely *within* the sphere of influence of the initiative. The ToC at Evaluation assumes the following drivers contribute to a successful outcome:

- UN Environment, UNDP, and WRI provide high quality, timely, and appropriate technical assistance, including relevant knowledge sharing: the Evaluation Team was of the opinion that technical assistance for public sector projects was strong but for private sector activities was weak.
- Local government institutions, NGOs, and the private sector have the capacity and interest to implement climate related adaptation and mitigation projects: the project worked to address this concern.
- The initiatives submitted for approval to the GCF are well designed and will successfully deliver long-term environmental benefits: most of the projects reviewed by the Evaluation Team were at the concept level and needed substantial development before they could be considered as viable projects.
- Governments increasingly understand the opportunities offered by GCF's Direct Access approach and prioritize climate change as a national development priority: some countries have been slow to address climate change in the face of other development priorities and several have put adaptation above mitigation.

[30] More detail on the Ghana process is provided in the Ghana case study.

- Both public and private sector institutions seize on GCF's direct access modality as a means to financing adaptation and mitigation programmes and projects at the national and local levels: GCF offers concession funding and is willing to distort markets with low cost financing to this end.

Figure 3: Theory of Change at Evaluation



V. Evaluation Findings

129. This chapter is organized according to the evaluation criteria presented in the TOR (Annex G). This section provides a summative analysis of all triangulated data relevant to the criteria parameters as specified in the ToR and is informed by findings from the four country case studies.

130. All evaluation criteria are rated against the UN Environment Evaluation Office's six-point scale, as follows:

- Highly Satisfactory (HS);
- Satisfactory (S);
- Moderately Satisfactory (MS);
- Moderately Unsatisfactory (MU);
- Unsatisfactory (U); and
- Highly Unsatisfactory (HU).

Sustainability and Likelihood of Impact are rated from Highly Likely (HL) down to Highly Unlikely (HU), and Nature of External Context is rated from Highly Favourable (HF) to Highly Unfavourable (HU).

131. During the evaluation, the Evaluation Team reached out to the National Coordinators in the five countries not subject to a site visit. All agreed to respond, but in the end only one provided a complete response. To the extent that we comment on other countries, it is based on a desk review of their progress reports only. Therefore, the findings that follow are primarily based on our observations in the four countries visited. There may be non-reported evidence from the other five countries that could contradict our findings of which we are not aware.

A. Strategic Relevance

132. The evaluation has as its task to assess "the extent to which the activity is suited to the priorities and policies of the target group, recipient, and donor". The elements of strategic relevance are:

- Alignment to the UN Environment Medium Term Strategy (MTS) and Programme of Work (PoW);
- Alignment to UN Environment/Donor Strategic Priorities;
- Relevance to the GCF Readiness Programme;
- Relevance to regional, sub-regional and National environmental priorities; and
- Complementarity with existing interventions.

133. Within UN Environment, this project is co-managed by the Economy and Ecosystems Divisions, contributes to 2014-2017 MTS via the 2014-2015 and 2015-2017 Programmes of Work (PoW); and to the associated sector level Expected Accomplishments (EAs) – see Project Identification Table (Table 1,

page v). It is also well aligned to UNDP's 2014-2017 Strategic Plan under "Work Area One: Sustainable Development Pathways" [31].

134. As discussed in paragraphs 65-70 of this report, the German government has made a strong commitment to addressing climate change through support to the GCF. This Project is one of two programmes funded by the German Government to help accelerate access to GCF. To that end, it also supports the start-up of the GCF via "Direct Access" in nine countries, including four members of the V20 Club.

135. With regard to complementarity with other initiatives, this Project operates in parallel with AfDB's Readiness Programme and the GIZ/KfW Climate Finance Readiness Programme and builds on climate change activities funded by the CIFs, GEF, multilateral and bilateral donors. However, the Project did not engage UN Environment's own UNEP Finance Initiative team [32], or other key private sector actors such as IFC. This resulted in a limited focus on financial intermediaries, primarily via Frankfurt School, and an even more limited focus on the private corporate sector. While it is noted that Frankfurt School worked either directly with the private sector such as commercial banks, microfinance institutions and, to a certain extent, with climate product/services providers and also indirectly through national entities (e.g. in cases where a national bank serves financial institutions or businesses), connecting with other private sector actors, either within UN Environment or outside the organisation, could have strengthened the Project's approach to the private sector.

136. All nine countries have set addressing climate change as a national priority.

137. Strategic relevance is rated "**Satisfactory**" and all the elements above have been considered and incorporated in a satisfactory way.

B. Quality of Project Design

138. Quality of Project Design is rated "**Moderately Satisfactory**" due to the following factors:

- The scope of the Project design was ambitious from the outset: institution strengthening to create / build-on the climate finance architecture in each country; defining criteria for screening projects and allocating priorities; providing a range of capacity building activities at the national and local level to assist with Direct Access; involving the private sector in order to increase resource mobilization; and contributing to project pipeline development both for adaptation and mitigation projects.
- Consistent with its ambitions, the Project built on the strengths of the three implementing partners. The Project design included three implementation partners (UN Environment, UNDP and WRI), with additional FS and DTU consultants in some of the countries. However, the roles of each partner were not well defined within the project documents, which contributed to a lack of strong overall leadership and direction from UN Environment's Paris Team. The Project design also underestimated the challenges of

[31] UNDP Strategic Plan, 2014-2017, Changing with the World. Outcome 5: "Countries are able to reduce the likelihood of conflict, and lower the risk of natural disasters, including from climate change".

[32] One respondent noted that this is partly due to the complexities inherent in UN Environment's matrix structure; although the UNEP FI Team indicated that they would have been willing to participate and in fact do work with some of the identified Direct Access Entities.

implementation faced by the three partners with different Standard Operating Procedures and accounting procedures

- The Project design assumed a standard set of ten modules and allowed for country selection. However, the situation varied from country to country. Countries were allowed to select modules, and then further negotiated for specific activities of interest, resulting in a shift away from the standard ten modules.
- The Project design attempted to be extremely precise in a very uncertain environment, without keeping budgetary reserves for management reallocation to specific needs or challenges based on insights during implementation. This may have been due to UN Environment's requirements for budget specificity at the project proposal stage. However, this is an unrealistic assumption even in a more traditional development project, for example an education, health, or public transport project where there is a limited range of contingencies (physical and price contingencies).

139. GCF proposals are required to address gender-equity related issues. Several of the GCF project concepts emerging from the nine countries address vulnerable groups and women as "project beneficiaries"; however, none of the activities yet developed specifically targeted women.

140. Given GCF's lengthy approval process, the minimal targets – averaging two accreditations and two projects per country – in fact have proven realistic.

141. Stakeholders' participation and cooperation was satisfactory and reasonable efforts were made from the stage of the initial assessment report through Project implementation to reach out to relevant parties.

C. Nature of the External Context

142. Increasing awareness of the impact climate change is having on island nations (the Philippines and Fiji) and countries subject to drought and flooding (Nepal and Kenya) provide a strong incentive to invest in adaptation and mitigation. Substantial political changes and/or natural disasters happened in the Philippines, Nepal, and Kenya during the project life. These external factors caused losses to those countries. The main impact on this project was to delay implementation. All nine counties experienced start-up delays (see below).

143. Nature of External Context is rated "**Moderately Favourable**".

D. Effectiveness:

144. Effectiveness is rated "**Moderately Satisfactory**" based on the assessment of effectiveness across the three dimensions: delivery of outputs (MS), achievement of direct outcomes (MU), and likelihood of impact (L).

Delivery of Outputs

145. Major project highlights by country are included in Table 8 below. This table is taken from a soon to be published Lessons Learned document being prepared by the Project team. It demonstrates that the nine countries have benefitted from a broad range of products and tools, but also that there is significant variation by country.

Table 8: Major Project Accomplishments by Country

(Source: "Unlocking the Green Climate Fund", draft Lessons Learned Document, prepared by the Project.)

	Benin	Colombia	El Salvador	Fiji	Ghana	Kenya	Nepal	Philippines	Uzbekistan
NDA Manual or Guidebook					✓	✓	✓		✓
GCF Country Strategy/Country Programme		✓				✓	✓	✓	✓
Climate Change Law and/or Policies	✓	✓	✓			✓	✓	✓	
National Climate Finance Strategy		✓	✓			✓			
Climate Public Expenditure and Investment Review (CPEIR)		✓	✓	✓		✓	✓	✓	
Investment and Finance Flow (I&FF) Assessment		✓	✓						✓
National Climate Fund assessment	✓	✓		✓	✓				
DAE evaluation criteria and guidance	✓		✓		✓		✓	✓	✓
GCF project prioritization and/or Screening Tool to inform no objection procedure	✓	✓		✓	✓	✓	✓	✓	✓
GCF full-sized Project Proposal Formulation Manual or Guidebook		✓							✓
Climate finance capacity building workshop for financial institutions (FIs)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Website with public access to guidance, tools and templates	✓	✓		✓	✓	✓		✓	✓
Climate Finance MRV system/database		✓	✓	✓	✓			✓	
Greenhouse Gas (GHG) monitoring, reporting, and evaluation (MRV) system		✓	✓	✓	✓	✓	✓	✓	
Updated Nationally Determined Contribution and/or mainstreaming manual		✓		✓	✓		✓	✓	

146. At design, this project envisioned two main outcomes addressing adaptation and mitigation, based on 10 modules (inputs). While UN Environment continues to report to BMUB against the 10 modules, at the country level there is little to no knowledge about the modules. Rather, the National Coordinators working with their national counter-parts focused largely on institutional strengthening and capacity building, and designed a series of activities, which were agreed upon with the Government, in several cases resulting in over 20 distinct activities.

147. Lacking an overall Project-level Gantt chart of activities, it is challenging to make a project wide assessment of the quality and timeliness of the delivery of outputs. Each country has an agreed work programme and schedule. All countries have experienced delays. From the four country visits[33], the specific activities under the country specific workplans are being delivered. For example, the Kenya work programme includes 12 specific activities: three workshops, two

[33] Case studies for each visited country have been written and reviewed by the Project Team. The details included in these studies contribute to the determination of a rating for Effectiveness. Due to client confidentiality these case studies are not intended for public dissemination, but may be requested from the UN Environment Evaluation Office on an individual basis.

technical assistance support consultancies, one assessment, delivery of one tool (MRV), support to attend two conferences, and three technical studies. Information about the status of each – pending or completed – is contained in the annual reports to BMUB[34].

148. Given a focus on tools, workshops, and training courses, the additional costs of including more entities is minimal. For example, a workshop for private sector banks on GCF modalities could be open to several local banks. As a positive example, Nepal ran such a workshop for the private sector, with GCF staff as presenters. Over 50 people turned up. This was held during an open call for proposals, leading to 17 applications and a selection of two.

149. There are several very interesting solutions being developed in each country, but a lack of knowledge sharing across the countries[35]. A total of eight Study Tours between participating countries were reported[36]. During country visits two of the study tours were discussed: Nepal to Ghana and Kenya to Senegal. While the participants appreciated the experience, and they were constructive from a team building perspective, the Evaluation Team was not provided with evidence of any discernible results; specifically new approaches to legal and regulatory reform (institution strengthening) or innovative project development. Implementing Partners note that the objective of the Study Tours was to exchange experiences and therefore were not designed to deliver the tangible results. However, out of the eight Study Tours only one report was found on the GCF Readiness website. As a participant of the one of the study tours commented, given the focus of the Project, a site visit to GCF's Headquarters to develop a working relationship with GCF staff might have been a more useful exercise.

150. The Frankfurt School (FS) (which provided the primary support for the financial sector), had a limited budget, was not operational in three countries, and their work has not led to tangible results to date. With the project extension and planned work in 2018, this should change. FS's involvement, to date was constrained by short timeframes. FS did collaborate with two microfinance institutions in Ghana with the aim to mobilise refinance. As microfinance institutions could not meet eligibility criteria of various microfinance investment vehicles, FS elaborated a proposal for Government of Ghana for a concept of a dedicated refinance facility.

Achievement of Outcomes

[34] The Project Team was unable to provide the evaluator with back-to-office reports, workshop surveys, etc. that might have provided some information as to the quality of the activity and its contribution to the overall programme. The Team notes that the evaluation coincided with several key staff changes that may have contributed this. Workshop reports were provided by WRI head office. Information exists in various people's computers but there was not a consolidated documentation database, most likely due to the fragmentation of the work programme - working with different partners, consultants, and local entities.

[35] For example neither the Nepalese nor Kenyan NDAs appeared to know that both FAO and IUCN were developing projects in each country.

[36] Other Study Tours: Uzbekistan NDA with stakeholders, travelled to Songdo (GCF HQ) to directly engage and learn about GCF operational mechanisms; El Salvador government representatives travelled to Colombia to directly learn from the Government experience on Readiness; and Nepal government representatives travelled to Philippines to take part in an international CVF workshop.

151. The ToC refers to two expected outcomes: enhanced institutions and development of a project portfolio, the achievement of which is described below:

152. **Enhanced Institutions**: The findings were generally positive in terms of contributions to the national climate finance architecture consisting of a legal framework, definition of responsible parties and coordination between various Government entities (See Table 8), but limited in terms of development of climate change acts, policies, strategies, and action plans, with some exceptions, for example Benin, Colombia, El Salvador, Kenya and Nepal. Some of this legal and regulatory work (e.g. in Kenya) preceded the Project, while a significant portion was developed concurrent to the Project. What was less clear was the level of support directly provided by the Project in the development of these laws, acts, etc. Our conclusion is that the Project contributed in meaningful ways to on-going legal and regulatory reform to help develop climate finance architecture.

153. Part of capacity building leading to enhanced institutions, is the Project's success in helping local entities become GCF accredited. Accreditation outcomes were somewhat mixed, (see Table 9, below). Seventeen entities are being supported by the Project to assist them in the process of becoming GCF Accredited Entities (AEs). The activities were not always clearly designed and could not easily be assessed by the evaluators since various issues came into play, confidentiality requirements of accreditation candidates, direct assistance from GCF, and only secondary assistance from the Project. However, a key element in the complications and lack of progress has to be attributed to the GCF itself as an evolving institution with changing characteristics and relatively long processing timetables due to limited staffing and involvement of the GCF Board at all levels of decision making.

154. A key component of institution strengthening is knowledge sharing. The basic building blocks of climate finance are well understood, and there are several examples of what makes for an effective adaptation or mitigation project. One of the forms of knowledge sharing is the recruitment of international and local consultants who provide technical expertise and access to new information. Each consultant brings his or her own knowledge and experience. However, in a project with as many active parties as this one, it would have been beneficial if all forms of technical information, knowledge management and information sharing had been articulated in a knowledge management strategy.

Table 9: Accreditation of Direct Access Entities Supported by the Project

(As reported by the project team as of October 2017)

Country	Name of institution	Status
Benin	Institution 1	Submitted to GCF for Stage I (completeness check) on 21 April 2017. Feedback received from the GCF on 12 October 2017.
Colombia	Institution 1	Stage I completed: ready for second submission

	Institution 2 Institution 3	Submitted to GCF for Stage I (completeness check) in September 2017. Feedback received early October. Stage II: Feedback received in September 2017.
El Salvador	Institution 1 Institution 2	Submitted to GCF for Stage I (completeness check) on 14 September 2017. Submission to GCF for Stage I (completeness check) under preparation
Fiji	Institution 1	Submitted for Stage II (review and Board consideration) on 28 April 2017. Accredited at GCF's 18th Board (October 2017).
Ghana	Institution 1 Institution 2	Submitted to GCF for Stage I (completeness) on 14 February 2017. Feedback received from the GCF. Submitted to GCF for Stage I (completeness check) on 29 June 2017. Feedback received from the GCF on 13 October 2017.
Kenya	Institution 1 Institution 2	Submission to GCF for Stage I (completeness check) under preparation – expected submission in November. Accredited in 2016 at B. 12.
Nepal	Institution 1 Institution 2	Submitted to GCF on 27 February 2017. Stage I approved; preparation on-going for submission to Stage II. Submitted to GCF for Stage I (completeness check) on 11 April 2017.
Philippines	Institution 1 Institution 2	Stage II. Expect to be accredited at the GCF 20th Board meeting. Gathering documents for Accreditation Consultant to start preliminary review

Uzbekistan	Institution 1 Institution 2	Recommended as a first candidate for accreditation by the GCF. Gathering documents for Accreditation. Consultant to start preliminary review Recommended as the second candidate for accreditation by the GCF.

155. **Project Portfolio:** The contributions to a stronger project pipeline for adaptation and mitigation were less obvious. A project screening methodology is one of the positive outcomes of the Project. More assistance on the design of relevant and well thought through projects could have been provided. During the 1 March 2016 Project Steering Committee, BMUB emphasized the need for an accelerated effort to develop a project pipeline (see paragraph 120). The private sector involvement remained at a fairly general level of coordination but has not lead to defining a framework, which would enable more private sector mitigation projects and resource mobilization. Overall, while several projects are under development, the Project has only resulted in one approval to date (see **Table 10**) and two-thirds (thirteen out of nineteen) are adaptation projects.[37]

156. The emphasis was on adaptation projects, in part led by FAO and IUCN working with mainline government ministries. For the most part, during the evaluation team's in-country visits, local entities were still engaged in GCF's accreditation process and project proposals were only at the concept level. Evaluation Team members, both of whom have extensive experience in Central and Eastern Europe (CEE), were surprised that there seemed to be little to no knowledge about the types of project structuring common in CEE countries, for example (i) Public Private Partnerships; or (ii) Energy Efficiency and Renewable Energy credit lines, via local banks, that blend loans with grants. There was also a lack of understanding of the use of equity, both by national counter-parts and by UN staff.

Table 10: Development of GCF Project Proposals Supported by the Project

As reported by the Project Team in October 2017		
Country	Title of project proposal	Status
Benin	Enhanced climate resilience of rural communities in central and north Benin by implementing ecosystem-based adaptation (EbA) in forest and agricultural landscapes	Concept note to be submitted by November 2017. Full proposal to be submitted by February 2018.
Colombia	Low emissions cattle ranching: a sustainable and climate responsive alternative for rural development in Colombia (IDB) Scaling up Climate Resilient Water Management Practices for Vulnerable Communities in La Mojana project	Concept note submitted and feedback from the GCF received. Submission of full proposal planned for B.21. **Approved at GCF Board Meeting No. 18** (October 2017)

[37] No projects had received GCF approval by the original project completion date.

	(UNDP) Sustainable Transport for Intermediate Cities (CAF). Building the resilience of vulnerable producers and ecosystems (UN Environment and Bancoldex- DAE) Agro-livestock Sector Adaptation to Climate Change and Variability (CAF/CIAT)	PPF application submitted to GCF in September 2017. Draft GCF proposal second semester 2018 PPF application submitted to GCF in September 2017. Draft GCF proposal second semester 2018 Expected submission PPF by the end of November 2017. Draft GCF proposal second semester 2018
El Salvador	Title to be defined (Regional Ecosystem based adaptation proposal for the Dry Corridor)	Regional stakeholder consultations in response to request from El Salvador's Minister of Environment
Fiji	Pending selection by Enhanced Direct Access committee (Green transport lending – tbc)	Targeting B. 21
Ghana	Accelerating Solar Action Programme (Ecobank) Climate Resilient Landscapes for Sustainable Livelihoods in Northern Ghana (UN Environment)	Concept note submitted in August 2017. Full proposal to be submitted by February 2018. Concept note submitted on 28 July 2017. Full proposal to be submitted by February 2018.
Kenya	Enhancing the resilience of communities in the Athi River Catchment Area (NEMA) Dryland Resilience Kenya: Ecosystem-Based Adaptation through Rangeland and Forest Landscape Restoration for Resilient Communities, Land, Water and Infrastructure in Frontier Counties of Kenya (IUCN)	Concept note submitted in April 2017. Feedback received from GCF. Full proposal to be submitted by February 2018. Concept note submitted in April 2017. Feedback received from GCF. Full proposal to be submitted by February 2018.
Nepal	Enhancing Climate Resilience of Vulnerable Communities and Ecosystems in Gandaki River Basin (IUCN) Promoting transformative and climate resilient agriculture for sustainable livelihoods and food security in Nepal (FAO)	Concept note to be submitted by end 2017, Project proposal due for submission in Q2 2018. Concept note to be submitted by end 2017, Project proposal due for submission in Q2 2018.
Philippines	Strengthening the Resilience of the Most Vulnerable Coastal Communities to Climate Change in the Philippines' Eastern Seaboard (UNDP)	Concept note submitted in May 2017

Uzbekistan	Sustainable development of agriculture through introduction of Climate Smart Agriculture approach	The project idea was selected and recommended for further elaboration of the Concept Note/Funding Proposal.
	Integrated solid waste management system	The project idea was selected and recommended for further elaboration of the Concept Note/Funding Proposal.
	Improvement of water system in Western part of Uzbekistan	The Funding Proposal was submitted to GCF in July.
	Development of energy efficient rural housing	The draft Concept Note was developed by the proponent (Gosarhitekstroy) and shared with Secretariat of the GCF. Feedback and recommendations were received, but further improvement and/or the proponent withheld development of the Funding Proposal.

157. By comparison, the GIZ/KfW Climate Finance Readiness Programme was set-up at about the same time for an equivalent amount of money (Euro 15 million), with very similar objectives. The GIZ/KfW Programme targeted fifteen countries, therefore less $/country. As per the GCF website which lists projects approved to date, of the GIZ/KfW countries only four do <u>not</u> yet have an approved GCF project[38]. While further details would need to be reviewed to make a direct comparison between the two projects, this Project is advised to remain engaged with other similar interventions and to compare both experiences and results.

<u>Likelihood of Impact</u>

158. Likelihood of impact is rated **"Likely."**

159. Countries have benefited from the assistance provided, and the need to finance climate change activities will drive countries to work with GCF. Governments are increasingly supportive of the need to address climate change impacts and are making changes to their climate finance architecture. This Project, GCF, GEF, multilateral donors (World Bank, IFC, AfDB, ADB, IDB, EBRD and EIB), and bilateral donors are providing quality technical assistance and investing in climate change projects. There is also increasing interest by the private sector to invest in climate mitigation projects. Nevertheless, countries face competing priorities for limited funds; transition to climate-based budgeting takes time; and GCF has been slow to process requests. Finally, lacking information from neighbouring countries, it is not clear that the nine countries are substantially 'more ready' to access GCF funding than neighbouring countries that were not part of the Project, some of which already have approved GCF Projects.

E. Financial Management

160. **Table 11** below provides the evaluation findings relative to Financial Management, which is rated "**Moderately Satisfactory**".

161. Funds are managed through UN Environment with pass-through agreements to UNDP and WRI. The specific work programmes for each partner were agreed at the start of the Project and these partnership agreements do not lend

[38] From all our sources including MDB projects. Data taken from GCF webpage of approved projects.

themselves to budget changes. UNDP and WRI report to UN Environment who then reports annually to BMUB. The Project accounts have not been audited.

162. This structure poses a few problems:

- Both UNDP and WRI report to UN Environment on expenditures by country. However, UN Environment does not prepare a consolidated expenditure report disaggregated by country, partner, or activity.
- UN Environment has budgeted considerable amounts of support at the country level on project design - $150,000 per project. This level of support implies subcontracting via competitive procurement. Some of this work is underway while much of this work is pending. The evaluators note that UN Environment has multiple partnership agreements (SSFAs, PCAs) with not-for-profit organizations and does not need to go for tenders in this case (e.g. for IUCN, FAO, BASE). In some cases teams of consultants were recruited via such agreements to develop the proposals (e.g. for Ghana and Benin). Limiting procurement via these mechanisms may be expedient but may not result in the most qualified experts for this Project, particularly for private sector led mitigation projects.
- The National Coordinators do not have access to UN Environment's Project Information Management system (PIMS), therefore do not control, and are not aware of, how each country is reported on in PIMS[39].

Table 11: Financial Management Table

UN Environment / UNDP / WRI GCF Readiness Programme			
Financial management components:		**Rating**	**Evidence/ Comments**
1. Questions relating to financial management across the life of the project:		**S**	
Compliance with financial requirements and procedures of UN Environment and all funding partners (including procurement rules, financial reporting and audit reports etc.)		S	The Evaluation Team has no evidence to question the quality of financial management. The Project has not been audited.
Timeliness of project financial reports and audits		MS	PIMS indicates delays in reporting.
Quality of project financial reports and audits		S	Given the structure, reports are satisfactory. However, UN Environment's reporting does not allow for tracking expenditures by partner, country, or activity.
Contact/communication between the PM/TM & FMO		S	The Evaluation Team has no evidence to question the communication related to financial reporting.
PM/TM & FMO responsiveness to addressing and resolving financial issues		MS	There are multiple PIMS alerts.
2. Questions relating to financial information provided during the evaluation:			
Provision of key documents to the evaluator (based on the provision of A-F below)		S	
A.	An up-to-date 'Co-financing and Project Cost's table	N	Not applicable.
B.	A summary report on the project's annual financial expenditures during the life of the project.	MS	Reporting to BMUB is at a Project level only.
C.	Financial documents from Mid-Term Evaluation/Review (where appropriate)	NA	Not applicable.

[39] The Project Information Management System (PIMS) is internal to UN Environment and is widely reported to not be 'user friendly'.

D.	All relevant project legal agreements (e.g. SSFA, PCA, ICA) – where appropriate	Y	Agreements between UN Environment and the other two partners were made available.
E.	Associated financial reports for legal agreements (where applicable)	Y	
F.	Copies of any completed audits	N	The Project has not been audited.
Demonstrated knowledge by the PM/TM & FMO of partner financial expenditure		S	Yes
PM/TM & FMO responsiveness to financial requests during the evaluation process		S	Very responsive
Overall rating		MS	

163. Project management should allow for real-time (at least quarterly) comparison of budgets, accruals, and expenditures cut various ways. Table 12 is UNDP's reporting to UN Environment on expenditures. Such a breakdown immediately allows Project Managers to observe that most countries are on track, while there are significant delays in El Salvador and the Philippines. It is also easy to observe the two-phased approach, with 2015 start-ups in Colombia, El Salvador, Fiji, and Ghana, followed by the remaining countries in 2016.

Table 12: UNDP Expenditure Data (Source: UNDP)

DESCRIPTION	TOTAL BUDGET	2015 Expenditures	2016 Expenditures	2017 Expenditures	TOTAL Expenditures	BALANCE	Implem. Rate
Global Programme	1,063,044	190,179	376,517	387,829	954,525	108,519	89.79%
Benin	846,596	0	275,704	521,298	797,002	49,594	94.14%
Colombia	736,940	138,641	237,243	314,607	690,491	46,449	93.70%
El Salvador	882,500	45,295	161,946	300,112	507,353	375,147	57.49%
Fiji	478,700	55,630	204,764	154,613	415,007	63,693	86.69%
Ghana	853,344	103,139	371,327	334,374	808,840	44,504	94.78%
Kenya	322,900	0	2,853	251,409	254,262	68,638	78.74%
Nepal	625,000	0	71,645	477,599	549,244	75,756	87.88%
Philippines	1,213,800	0	21,216	126,177	147,393	1,066,407	12.14%
Uzbekistan	1,247,689	0	73,079	557,413	630,492	617,197	50.53%
Sub-Total	**8,270,513**	**532,885**	**1,796,294**	**3,425,431**	**5,754,610**	**2,515,903**	69.58%
Programme Support Cost (10%)	827,051	53,288	179,629	342,543	575,461	251,590	
Total	**9,097,564**	**586,173**	**1,975,923**	**3,767,974**	**6,330,070**	**2,767,494**	**69.58%**

164. The Evaluation Team's understanding (from multiple sources) is that UN Environment receives all the money from BMUB and reports on all the funds, its own disbursements and funds forwarded to the implementing partners. However, UN Environment does not report on disaggregated data by partner, country or activity from the implementing partners, nor is it easily able to provide that level of detail for its own expenditures, partly due to the limitations of UMOJA[40]. From this, the evaluation concludes that such disaggregated data has not been available to inform the ongoing management of the project as a whole, which suggests that potential efficiencies may have been overlooked and

[40] The Evaluation notes that UOMJA was introduced half way through the project.

forward planning has not been carried out on the basis of full financial knowledge.

F. Efficiency

165. Efficiency is rated "**Moderately Unsatisfactory**" due to the lack of empowerment of the Project Manager to review and if necessary re-allocate funds within a country or between partners to higher priority activities This, in part, relates back to the issue raised in the last section of the lack of real-time financial data. Some funding may have been shifted, but it should have been obvious that the Philippines was not going to be able to fully implement the project (either by the original completion date or the first extension). Whether an accelerated program in 2018 makes sense is not clear. Given the newness of the GCF funding mechanism, lack of budget flexibility is a constraint.

166. With multiple activities being carried out in nine countries by three "partners" it is a challenge to make an assessment of timely performance. Not all activities are of equal importance or costs, but performance across all activities, provides a picture of overall performance. The Evaluation Team looked at performance in the four case country studies, based on the latest reports submitted to BMUB, which are effective through the end of 2016. (See **Table 13**, below)

167. A few observations:

- All four countries that were visited as part of this evaluation experienced some delay in start-up from what was proposed to actual as of the end of 2016. Some delay was expected, but both Ghana and Nepal experienced a significant delay in start-up. There were various reasons, but the main cause for delay was UNDP's need to negotiate the initiative with the host government. In Nepal the earthquake was also a contributing factor to the delayed start-up.

- Late start-up of activities caused delays in a very tight project implementation schedule, and it is unclear to what extent these delays can be overcome in the remaining implementation period, but contribute to the need to extend the project to the end of 2018.

- Not only was start-up delayed, but projected completion is also delayed. In three of the counties, the revised schedule is now *longer than* was originally anticipated. Note, as of the end of 2016, most completion dates were estimates. Many activities are scheduled to complete in 2017, but likely are now extended into 2018 therefore the estimates are conservative. Ghana is exceptional in that, once the initiative started, they have been able to accelerate their activities, resulting in a negative time-lag.

- Finally, the number of activities completed varies by country. Colombia, having started earlier, had completed 47% of its agreed work programme by the end of 2016, while Nepal had only completed 13%.

Table 13: Activity Completion Performance by Country

(Based on data through end of 2016.)

	Colombia	Ghana	Kenya	Nepal
Average Delay in Start-up (months)	6	17	8	12
Average Delay to Completion (months)	16	9	14	15
Lag added (months)	9	-7	7	3
Per cent activities completed as of the end of 2016	47%	38%	22%	13%

168. The Project has now had approved a no-cost extension in order to complete activities within the existing budget. The Evaluation Team is of the opinion that the project team needs to prioritize activities and focus on those activities that will most likely contribute to achieving the expected outcomes. Efficiency in spending would, in the Evaluation Team's view, entail a management review and the possibility to re-allocate some funds to higher priority activities. The current Project Manager has stated that all the funds are fully programmed and cannot be changed.

169. The Evaluation Team noted that some information was not easily obtainable partly due the different structures for programmes and accounting in the different implementation partners organizations.

170. WRI[41] delivered on its agreed work programme in advance of the other two partners; while UNDP was often delayed while negotiating implementation agreements with the host governments and UN Environment also encountered delays. Further, the project design did not contemplate on-going political changes in countries, which could (and did) cause delays etc. (Philippines, Kenya, and Nepal).

G. Monitoring and Reporting

Monitoring Design and Budgeting

171. Given the parallel GIZ/KfW Climate Finance Readiness Programme, BMUB and the UN Environment Evaluation Office might have been considered a real-time Impact Evaluation to compare and draw lessons across the two projects.

Monitoring of Project Implementation

172. Country teams and UN Environment have provided progress reports to BMUB; however, they have not kept PIMS up-to-date. At the time of writing this evaluation report, PIMS had 19 active alerts for missing / out-of-date data despite raising this as a concern with the Project Manager at the start of the evaluation.

173. Monitoring and reporting appears to have been used as a tool to inform the donor etc., and not as a management tool to improve performance. Monitoring

[41] Note, WRI is only 7 per cent of the budget.

and Reporting is rated "**Moderately Satisfactory**" and could have been a more powerful tool for project management.

Project Reporting

174. Due to the existence of a different results framework between PIMS and the donor agreement, plus variations by country, project monitoring and reporting is a challenge. The Project Team needs to report on the approved results in PIMs, and to BMUB on its results framework, including both original activities (10 modules) and country-agreed work programmes. Currently they report on the original activities and the revised country work programmes.

175. A major issue is not the lack of reporting but the failure to follow-up. The focus appears to have been on getting reports sent out, not on addressing delays and adjusting the Project to get back on track; the Philippines being a good example. This suggests a weak awareness of the role of project monitoring in project management.

H. Sustainability

176. Sustainability is rated "**Likely**".

Socio-political Sustainability

177. Sustainability was not well thought through: early training of regular Government employees allocated to climate finance was limited since project implementation teams set up within the Government were either understaffed or had yet to be staffed. The experts financed by the Project in Colombia and Ghana were working alongside Government staff. It was unclear during the evaluation visits to what extent the Government would allocate other resources after the termination of the Project given the budgetary constraints faced in each country. In Nepal the government's Climate Finance team within the Ministry of Finance, was only established in November 2017 and has yet to be fully staffed; therefore the value of "capacity building" during the scheduled life of the project within the Nepal NDA is questionable.

178. Sustainability at the level of the climate finance architecture (e.g. contributions to legal frameworks that have been enacted) provides a good basis for sustainability at the national level. This typically includes clear definition of responsibilities within the Ministries and setting up of coordinating committees. The Project's support work in this context, partly via the national level Project Steering Committees, was useful.

Financial Sustainability

179. The project was fully dependent on the support of the German government with the partners essentially acting as "contractors" to BMUB. The partners brought their expertise to the project, but did not contribute to its funding or obtain any co-financing as in the GIZ project.

180. At the national level countries may access GCF's own readiness support and some of the nine counties have already applied for GCF funding. Long-term financial sustainability comes through development and implementation of a portfolio of projects. The efforts to support Direct Access projects, and of

projects which may be implemented via already accredited international organisations, will depend on the allocation of the necessary resources from the national Government budget, the private sector), and/or international sources (GCF, multilateral development banks, etc.).

Institutional Sustainability

181. The delivery of project outputs (institution strengthening and capacity development) through national and international consultants, who are not integrated into normal staffing levels of public sector teams does not guarantee that the activity will be automatically continued.

182. Highly relevant were the contributions to measuring tools (MRV Systems etc.) which, once established, provide useful information for national and international purposes and which are more likely to be maintained by local resources. Since such tools were not implemented in all Project countries it would have been useful had they also been provided via internet-based access. As one example, the toolbox project screening system designed for NDAs will most likely be utilized well after the project's conclusion.

I. Factors Affecting Performance

183. Factors affecting Performance is rated "**Moderately Satisfactory**". In accordance with the UN Environment Evaluation Office guidelines, Factors Affecting Performance have been discussed throughout this report. In this section, a summary overview is provided.

Project Preparation and Readiness

184. The start-up phase of the project involved screening 21 countries to select the nine focus counties. In retrospect it appears that due diligence at the outset regarding private sector projects was somewhat limited.

Quality of Project Management and Supervision

185. The partnership structure had an impact on the Project's outcome. Project success depended upon a strong collaborative partnership between UN Environment, UNDP, and WRI. This combined partnership structure, without clear overall leadership from Paris, coupled with UNDP's strong field presence (effectively putting them on "first"), added to the management burden. As the National Coordinators were all on soft (project) funds, the Evaluation Team did not see why UN Environment could not have hired these staff directly, or perhaps they could have held joint UN Environment / UNDP positions.

186. All three partners are weak when it comes to working with the private sector. Private sector involvement is an ambitious task. It requires a stable investment framework with clear mid- and long-term incentives in terms of price signals, tax incentives, quality of long-term contracts etc. National governments have a key role to play, but one also needs to engage with the private sector directly. In Colombia, the Project attempted to do this via industry round-tables. To successfully work with the private sector, it is important to work with trade associations and through direct engagement at the company level. Working through the Government to reach the private sector may actually be counter-productive.

187. At the project-wide level, the Project Steering Committee met once per year. This committee served as a useful point to update the donor (BMUB) on progress and

address implementation issues. At the national level, the Steering Committees/Boards provided a good vehicle for coordination across the government with the implementing partners.

Stakeholders Participation and Cooperation

188. A key stakeholder for this Project is GCF. The ability to implement this Project relates back to the GCF, its transparency (SOPs, requirements, forms, etc.), and its ability to rapidly approve projects. GCF's delayed start-up has negatively affected the Project. GCF remains poorly understood, some of its SOPs remain to be defined, and its staffing and processing is a serious constraint. Readiness is about helping countries prepare for and access GCF funding. As GCF matures, it will become an increasingly important partner of the countries supported.

Responsiveness to Human Rights and Gender Equity

189. Activities to address a human rights based approach to development (HRBA) and gender are high priorities of both the donor and the partners. Through adaptation, some activities address vulnerable groups as project beneficiaries and women are referenced as both stakeholders and beneficiaries. The Evaluation Team is not aware of any project concept or proposal resulting from this Project, or under development, that specifically targets women. This is considered a missed opportunity[42].

Country Ownership and Driven-ness

190. Country ownership was a positive factor affecting the performance of this Project. The governments of the nine countries were all supportive of this initiative but all face competing priorities. As the countries gain experience working with GCF on climate change, they will likely become more supportive

Communication and Public Awareness

191. A project-wide workshop/retreat was held in February 2017 in Paris, where the UNDP country coordinators set up a communication network. This was a positive step. Prior to this there was limited sharing of ideas across the nine countries.

192. As one indicator, the Evaluation Team was surprised by the lack of information posted on the Project GCF Readiness website. The Project has developed a Lesson Learned document, soon to be published. Such information needs to be posted on a real-time basis. The opportunity to be a knowledge-sharing node was a missed opportunity. To this end, as one example the Project might have considered issuing an Annual Report.

[42] It is noted that at least one proposal specifically targeting the needs of women was submitted to the GCF but not approved.

VI. Conclusions, Lessons, and Recommendations

193. Overall the UN Environment / UNDP / WRI GCF Readiness Project is rated "**Moderately Satisfactory**" as summarized in **Table 14**. See Annex E for UN Environment Evaluation Office weighting table.

Table 14: Evaluation Ratings

Criterion	Summary Assessment	Evaluation Consultants' Rating	UN Environment Evaluation Manager Rating
A. Strategic Relevance		**S**	**Concurs**
1. Alignment to MTS and POW	The Project is aligned to the MTS and POW and UNDP's 2014-2017 Strategic Plan	S	
2. Alignment to UN Environment /GEF/Donor strategic priorities	The Project is aligned to both UN Environment and UNDP's strategic priorities and directly supports the GCF.	S	
3. Relevance to regional, sub-regional and national environmental priorities	The Project supports national efforts in nine countries to address climate change.	HS	
4. Complementarity with existing interventions	The Project did not make use of UN Environment's existing interventions, specifically UNEP FI and the Green Economy Initiative.	MS	
B. Quality of Project Design	The design was well conceived but overly ambitious. Its major weakness was an assumption that GCF would become fully operational quicker, leading to greater engagement at the national level.	**MS**	**Concurs**
C. Nature of External Context	All nine countries are committed to addressing climate change but face competing priorities.	**MF**	**Concurs**
D. Effectiveness		**MS**	**Concurs**
1. Achievement of outputs	The outputs have changed during implementation and each country has a slightly different set of outputs it is operating to. Both institution strengthening and capacity building are long-term and continuous requirements.	MS	
2. Achievement of direct outcomes	Many countries still lack well-defined climate change government architecture. Only one of the nine counties has an approved GCF project developed through the Project.	MU	
3. Likelihood of impact	Long-term impact is likely. Donors have already committed $10.8 billion to GCF, which is comparable to the amount contributed to EBRD at its start-up. Many donor countries remain committed to addressing climate change and GCF is the main vehicle for doing so.	L	
E. Financial Management		**MS**	**Concurs**
1.Completeness of project financial information	The different partners have differing reporting structures, making accounting of expenditures difficult.	MS	
2.Communication between finance and project management staff	Communication is working.	MS	
F. Efficiency	Many activities started late and then are projected to take longer than expected. Any project extensions increase the operating costs for	**MU**	**Concurs**

Criterion	**Summary Assessment**	**Evaluation Consultants' Rating**	**UN Environment Evaluation Manager Rating**
	delivering the agreed results framework.		
G. Monitoring and Reporting		**MS**	**Concurs**
1. Monitoring design and budgeting	The design has changed while the country level budgets are fixed. Management should have been given some flexibility.	MS	
2. Monitoring of project implementation	The Paris based project management team could have done more to focus on addressing delays in project implementation; although, early commitments to the partners restricted flexibility needed to address delays.	S	
3.Project reporting	PIMS information has not been kept up-to-date (19 outstanding alerts at the time of evaluation) and was not used as an effective management tool. There is a standard process within UN Environment to revise the PIMS results framework to be consistent with changes in implementation	MU	
H. Sustainability		**L**	**Concurs**
1. Socio-political sustainability	Within these nine countries there is strong support for climate change adaptation activities. A focus on mitigation has lagged the emphasis on adaptation.	L	
2. Financial sustainability	Financial sustainability is dependent upon the quality of project proposals emerging from these nine countries.	L	
3. Institutional sustainability	As funds begin to flow, GCF should become a more important partner, ensuring the sustainability of the NDAs.	L	
I. Factors Affecting Performance		**MS**	**S**
1. Preparation and readiness	Design was well conceived.	S	
2. Quality of project management and supervision	The Paris-based Management team acted more as a coordination point and less as Project leaders. At the project wide level a Project Steering Committee (involving the donor and the partners) met once per year. At the country-level Steering Committees/Board involving the partners and the government meet to provide guidance on project implementation.	MS	
3. Stakeholders participation and cooperation	As this was a first of a kind project, communication and knowledge sharing to a broader community could have been more effective.	MS	
4. Responsiveness to human rights and gender equity	More could have been done to engage women and marginal groups.	MU	**MS** Proposals are meeting GCF requirements on gender
5. Country ownership and driven-ness	The nine countries have fully engaged and see GCF as an increasingly important partner in helping them address climate change.	HS	
6. Communication and public awareness	The Project's website could have been a stronger tool to reach a broader audience.	MU	
Overall project rating		**MS**	**MS**

A. Strategic Questions

194. The Terms of Reference asked the Evaluation to respond to four strategic questions, the answers to which are provided below.

195. **Adaptive Management:** The issue is to what extent, and in what ways, has the Project responded to the emerging lessons or took them into consideration in its future planning, both the challenge of its capacity development objectives and the limited technical capacity in climate financing/GCF expertise, especially at country level. The primary focus of the Project was on the two main project outputs: institutional strengthening and capacity development, to some degree at a cost of a focus on Project outcomes. The specific country workplans were each established based on an initial assessment, followed by a scoping mission, and agreed upon with the Ministries of Finance. This, in turn translated into agreed activities assigned to each partner. Once agreed to, there was limited flexibility that might have allowed either the NDA's or the Project Team to adjust budgets and schedules based on changing conditions (for example delays in start-up or changing entities) and experience form other countries. Thus the Evaluation concludes that the lack of an adaptive management approach is a project shortcoming.

196. **Project Complementarity:** The issue is whether there were consequences of the introduction of GCF's own Readiness Programme. To date, GCF has disbursed \$10.8 million for approved readiness activities in 60 countries, or \$180,000 per country. This is a very different structure in that funds are provided directly to the country. The cost per country is substantially less and under the GCF initiative there is direct country ownership. Knowledge sharing is integral to both GIZ's and GCF's approach. Some of the nine countries supported by this Project, in anticipation of its scheduled end, have applied for GCF Readiness support funds (for example Kenya). Both the GIZ/KfW Climate Finance Readiness Programme and GCF's own Readiness Initiative publish Readiness case studies, which provides valuable lessons to other countries.

197. **Country Selection:** The issue is to what extent did the country ownership, or lack thereof, of the Project's workplan affect the Project's start and overall implementation performance. Selection of the nine countries seemed to have been well thought through; although without talking to the NDAs in the other five countries, it is difficult to be definitive. Adaptation is a key concern in all nine countries, four of which are founding members of the V20. There is potential for cost effective mitigation in each country, but this was given less priority than adaptation. The Evaluation Team found no linkage to other past or on-going activities supported by the partners, for example, in Kenya, UN Environment's supported Green Economy Initiative was launched concurrent to the evaluation mission. The Kenyan Green Economy Initiative, which requires substantial funding, made no reference to GCF. The UNEP Finance Initiative (UNEP FI) is active in several of the countries and through its Principles of Responsible Investment, is working directly with candidate Accredited Entities, yet there was no linkage back to UNEP FI.

198. **Replication and Scale:** The issue is whether the Project is demonstrating the capacity to make a substantive contribution to the large-scale aspirations of the Green Climate Fund. A positive aspect of the Project is its focus on Direct Access and working with local entities. However, with the lack of a strong adaptation or mitigation project portfolio, the Project's contribution to the GCF's

objectives remains unproven. The evaluation notes that learning from this Project is being applied to proposals being put to the GCF and which are currently at concept stage[43]. While the Project could be replicated, the Evaluation Team would recommend significant modifications reflected in the recommendations and with less use of PMUs staffed with UN employees and much greater emphasis on project design.

B. Conclusions

Start-up:

199. The UN Environment / UNDP/ WRI GCF Readiness Project was designed and started while GCF itself was in its infancy. Many of GCF's own goals, objectives, Standard Operating Procedures, etc. had yet to be defined. This presented significant challenges to the Project Team in designing GCF Readiness activities.

200. The start-up phase of the project involved screening 21 countries to select the nine focus counties. The nine counties then each participated in an initial scoping mission, resulting in a country specific action plan. This work, done jointly by the three partners, was well done.

201. In all nine countries, there is now a functioning NDA. The GCF requires a NDA as a national counter-part so as to support Direct Access.

Programme Focus:

202. A major objective of GCF is to promote Direct Access at the national and local level. This is intentional and was designed to provide a different project modality from the usual approach of Multilateral Development Banks. However, to date 75 per cent of GCF's approved funding has been programmed through Multilateral Development Banks and other international agencies. This illustrates that Direct Access is not an easy process, especially if there is no national / local accredited organization. In that light, the focus of the project team has, rightly, been on engagement with national government, and national and local entities (both public and private). The perception is that international entities[44], such as Acumen in Kenya, IFC, AfDB, EIB, etc. did not, and do not, need the Project's support to design projects for GCF.

Adaptation vs. Mitigation:

203. GCF's target is to split funding 50:50 between adaptation and mitigation – GCF's actual funding split to date is 29 per cent adaptation, 43 per cent mitigation, and 28 per cent cross-cutting[45]. Adaptation projects are more likely to be government / NGO / donor projects, are usually not income generators, and therefore seek either grants or long-term concession rate loans. Mitigation projects, on the other hand, often will have positive rates of return and are therefore seen as more the purview of the private sector and thus loan / equity based; although, this is not always the case.

[43] These include proposals for projects in Benin, Central America and Ghana as well as a project to support readiness among financial institutions in four countries.
[44] Food and Agriculture Organization (FAO); International Union for Conservation of Nature (IUCN); International Finance Corporation (IFC) and African Development Bank (AfDB).
[45] Source: https://www.greenclimate.fund/what-we-do/portfolio-dashboard.

204. Coupled to this is the geopolitics of being a member of the Vulnerable 20 (V20 - a club to which four of the nine belong). These countries are minor contributors of GHGs, while being most directly impacted by climate change. As a result, these countries consider that they should be the main recipients of grants for adaptation.

205. The focus of partners of the Project – UN Environment, UNDP, and WRI – is on government institutions, government capacity, etc. While the partner organizations themselves contain and work with centers of excellence focusing on the private sector, for example the Frankfurt School and UNEP Finance Initiative, the Project lacked a strong private sector focus. Taken together, national priorities in the nine countries, and therefore the Project, have tended to target initiatives and projects that maximize grant support for adaptation.

Institution Strengthening / Building:

206. Institution building is a key output of the Project. Broadly, institution building can be interpreted as improving and enhancing the institution as an on-going entity by strengthening access to knowledge, and training of permanent staff (capacity building). The Project's focus is on government institutions, and in support of the GCF objectives, on Direct Access, thus on the National Designated Authorities. As a measure of successful institution building, the Evaluation Team looked to see a fully staffed government body with a climate change architecture of supporting climate change acts, policies, strategies, and action plans in place and operational. The Evaluation Team found that in all cases a National Designated Authority had been established, but often staffed by Project staff (i.e. UNDP contracted staff) via a Project Management Unit structure. Given significantly higher salaries of UN Project staff, this is not considered sustainable. Only in a few cases, for example Kenya and Colombia, did the Evaluation Team find the body of laws etc. in place that would help to advance climate change. Many countries were still developing their climate change polices etc.

207. As noted previously, there seemed to be little to no knowledge about the types of project finance structuring common in Central Eastern European countries, for example Energy Efficiency and Renewable Energy credit lines, via local banks, that blend loans with grants. There was also a real lack of understanding of the use of equity, both by national counter-parts and by UN staff.

208. Finally, prior to a project workshop held in February 2017, when the UNDP country coordinators set up their own communication network, there was limited sharing of ideas across the nine countries. Further, the south-to-south study tours, while appreciated by the participants, did not result in meaningful knowledge sharing or specific GCF project proposals.

Capacity Building:

209. Capacity building is about providing the government staff with the relevant knowledge and skills to (i) carryout the mandate of the institution, (ii) design, implement, manage and/or supervise projects, and (iii) monitor and assess climate change indicators (both financial and environmental) for international reporting; although, it is important to state that the Project has supported private sector led accreditation and project design activities in each of the nine countries. In all four countries visited, the Evaluation Team found confident and capable individuals, both in and outside of government. These people had been

the beneficiaries of multiple donor-provided (for example GEF) capacity building projects. The Project is only one of a long string of projects providing capacity building at the national level.

210. There were, however, two issues:

- Government salaries are often much lower than UN / NGO / donor / private sector salaries. Without government reform (well beyond the scope of this project) it is difficult to impossible to retain well-qualified staff. Thus, capacity building must remain an on-going activity.
- Some beneficiaries of the capacity building provided were, in fact, Project staff, such as the National Coordinators, their associates, and individuals in the implementing partner's headquarter offices. Local staff will likely remain in country in one capacity or another. Many of the international staff have left, or are leaving, the Project and the sector. All but a few high- level individuals associated with the initiative were on soft or project funds.

211. Another aspect of capacity building is the development of tool kits, guidance documents, Standard Operating Procedures, etc. While such instruments were developed at the national level in several countries, these did not translate into generic products posted on the Project website that could then be used by other countries outside of the nine.

Project Pipeline Development:

212. If climate change is a national priority, then obtaining project financing is critical to addressing the impacts of climate change at the local and national level. Pipeline development logically comes after capacity building and takes time. Further, GCF's requirement to complete the accreditation process prior to project approval, has only further delayed the process. Recognizing that project approval is beyond the project's bounds, the small number of projects that are under preparation (nineteen) and approved (one) by GCF, is not a strong indicator of success. Many of the projects were at the concept level only and were not yet at a level of development that would have given the Evaluation Team confidence that they would lead to GCF approved projects. While it is acknowledged that the process of country programming and priority setting may take time and that funding requirements need to be met, project design, *per se,* is not complex, especially if this is being done with people who are fully conversant with the context, such as national institutions and experts. National experts and institutions in all nine counties have experience in designing climate change related projects for GEF, Climate Investment Funds (CIF), and/or donors.

Project Scope vs. Budget:

213. This was a well-funded project ($1-2 million per country) with ambitious objectives. However, delayed start-up in some counties made the task challenging. For example, operations in Nepal only began in late 2016. It is unrealistic to achieve too much by way of institution building in such a short time frame (14 months). Operations in each country should be at least three (3) years to show meaningful results. To this end, if there was a follow-on project, the Evaluation Team would recommend continuation in late-starting countries, while also expanding to other countries beyond the nine.

Management:

214. The Project Manager referred to the structure as a partnership and each country had a National Coordinator. "Partnership" and "coordinator" accurately reflect Project Team members' perceptions of respective roles and responsibilities. The various partners kept each other informed as to what they were doing, but acted independently; certainly this was the case with WRI. UNDP, as per its policies has to obtain approval from the host Government before implementing planned activities, which caused delays in implementation.

215. At the national level, despite the Project's intentions and counter to the assertions of other members of the Project Team, the National Coordinators described their role as managing the UNDP component and providing coordination for UN Environment and WRI activities. They did not see that they had oversight over partner's activities, or that they were responsible for ensuring successful completion of all activities at the country level. For UN Environment, the Nairobi and Paris offices acted independently and under two separate divisions. What was missing from this equation was a Project Manager with overall management responsibility providing "leadership" and "direction." This should have been the role and responsibility of the Paris team.

Private Sector:

216. If we seek to slow the rise in the global temperatures, it is important to invest in mitigation anywhere, everywhere, and as soon as possible. Part of the GCF construct is recognition that it is cheaper to reduce emissions in places like Benin than in Germany. The GCF sees the private sector as a key actor and has targeted 50 per cent of total funding towards the private sector. Currently, the split is 60 per cent public and 40 per cent private, demonstrating that even the GCF is finding it a challenge to engage the private sector. GCF also expects significant private sector co-financing of at least 4:1 if not higher. Experience from the CIFs was that the private sector was better able to program funds and implement projects, particularly for mitigation. Country NDAs need to both maximize funding for adaptation and mitigation; it is not an either/or question. For mitigation this mainly translates into loans for the private sector. The implementing partners lacked a strong private sector focus.

217. In all countries, expanding a private sector focus is challenging and constructive results depend, to a large extent, on local private sector readiness. This is equally part of Direct Access. The Project Team was not well setup to address issues around the business-enabling environment for private sector investment in climate change. In Ghana, the Frankfurt School spent considerable time to first understand the sector; then with a limited budget remaining produced relatively little output except training seminars. UN Environment's UNEP Finance Initiative has extensive expertise working with the banking and investment sectors, and in fact works with some of the identified national entities (for example Kenya Commercial Bank in Kenya), yet was not directly engaged in the project. Going forward, the Evaluation Team would recommend teaming with the likes of UNEP Finance Initiative, who has more expertise working with the private financial sector.

Evaluation:

218. While it was agreed with the funding partner to forego a mid-point assessment in favour of an early terminal evaluation, with hindsight, this was ill advised. Project management, and perhaps the Project Steering Committee, could have

been made responsible for a mid-point reflection task, which could have focused on reviewing the first year's actions in each country. Even an internal reflection and review at the mid-point would have been an opportunity to bring the outputs and outcomes recorded in the UN Environment Project Information Management System in line with the results agreed with the funding partner.

219. This Project offered an excellent opportunity to undertake Impact Evaluation. The Project stated by looking at 21 countries, then selected nine in which to work. The other 12 had many similar characterizes, and as such offered counter-factual evidence. Alternatively, one could have looked at a sample of the 15 GIZ/KfW Climate Finance Readiness Programme countries. As part of the Evaluation, it would have been useful to have also visited two-to-three counties not selected for Readiness support and/or two-to-three counties selected under the GIZ/KfW Programme.

C. Lessons Learned

Project designs should seek ways to empower the management team by means of holding some funds in escrow for allocation following a mid-point assessment.

220. This Project illustrates that too rigid a design of project budget allocation weakens the role of project coordinators / managers. Flexibility of allocation of a portion of funds to be held in escrow, say 10 to 30 per cent, could encourage the project management to take a stronger role in monitoring and reallocating, if necessary, both within countries and between countries. This could also have strengthened the role of project coordinators with regard to the various implementation partners.

Institution building must be sustainable and benefits from a holistic approach including support for institutional frameworks and high-quality tools as well as placing consultants alongside Ministry staff.

221. Without a permanent project management unit within Government structures, a project cannot achieve sustainability. The likelihood is that dependence on outside consultants will be created who are outside the Government pay structure. One possibility could be to top-up Government budgets for a certain time to ensure working with a team of Government employees dedicated to this task, which in fact is the aim of the GCF Readiness programme.

Knowledge sharing via information platforms and Internet based learning, plus full disclosure of information; toolkits etc. is critical to institutional strengthening.

222. The implementing partner headquarter teams (Paris, Nairobi, New York, and Washington DC) could have taken a stronger role on global outreach from the outset to secure information distribution. The focus should not have been limited to the nine counties only. These nine countries are laboratories for working with GCF, as intended in the project proposal to BMUB, and experience needs to be shared. Also these nine countries needed to learn from other countries' experiences of what works.

Involving the private sector in mitigation projects requires an appropriate private sector framework (legal and financial incentives).

223. The private financial sector may well be able to contribute to mitigation projects like an environmentally friendly green power plant. This is normally only the case if the country concerned has clearly defined the regulatory framework for

attractive electricity off-take agreements and guaranteed grid access. Germany has financed various studies, which explore the pre-requisites for a larger role of the private sector in mitigation projects, for example BMUB financed a GIZ study published in April 2015 about the role of the private sector to scale up climate finance in India. The study explains that most forms of private finance operate on a simple principle of balancing financial costs (risks) and financial returns (rewards) in the context of the assessment of the applicable legal framework (including relevant enforcement and court rulings in case of disputes).

D. Recommendations

These recommendations are written with the understanding that the Project has been extended through December 2018, so as to spend down the budget.

Recommendation 1: Legal and Regulatory Reform
As part of the institution strengthening and capacity building activities, the Project should review the status of climate friendly laws, with an emphasis on private sector development in each of the nine countries and provide additional support where needed to ensure that each country has the necessary climate change architecture in place.

224. Critical to success in addressing climate change is a well-structured climate finance architecture; i.e. having in place the institutions, acts, policies, action plans, Standard Operating Procedures, etc. that are conducive to advancing adaptation and mitigation via Direct Access. For the private sector, this means addressing the business-enabling environment to support mitigation activities, for example restructuring feed-in tariffs that support renewable energy independent power providers. There has to be a market and appropriate incentives for companies to invest.

Recommendation 2: Expand Private Sector Focus
In its final year the Project should engage further with the Frankfurt School and engage with UN Environment Finance Initiative to deepen its focus on the private sector.

225. To date many of the country programmes have focused on adaptation over mitigation, for reasons as described above. The private corporate sector is equally important, is a GCF priority, and should lead on mitigation. Financial intermediaries (local banks) are critical in expanding opportunities and leveraging additional capital at the local level. The Evaluation Team recommends that greater attention needs to be placed on the private sector. This translates into more engagement of the Frankfurt School and bringing UNEP Finance Initiative into the mix of options available. The UNEP Finance Initiative has much to offer the Project Team in working with local level financial intermediaries. Why develop GCF Readiness training programs that are already available off-the-shelf via UNEP Finance Initiative?

Recommendation 3a: Project Pipeline Development
The Project needs to make a concentrated effort on working with already identified Direct Access Entities to prepare fully structured project proposals.

226. The Project needs to give greater emphasis to project pipeline development. Readiness is about gaining access to GCF funds, which means developing and submitting viable projects. The Project should consider sending in project design SWAT teams to work with Direct Access local entities (accredited or not)

to put together fully structured project proposals. A concentrated effort should be able to complete a project document in 2-4 weeks, with additional time required for feasibility, design, and environmental studies as required.

Recommendation 3b: Project Pipeline Development (Gender Focus)

In line with GCF and the implementing partners' own policies, all project proposals should continue to address the differentiated needs of vulnerable / marginalised groups, especially those of women and indigenous groups.

227. GCF and the partners all have polices in place that promote the role of women and the need to focus on vulnerable communities. Adaptation projects under development are designed to help vulnerable groups. The Evaluation Team is unaware of any gender specific projects emerging. This is a missed opportunity. It should be possible to conceive of and design GCF projects that target women. The Project should consider a specialized consultancy to address this point on the assumption that the GCF would be receptive to such proposals.

Recommendation 4: Knowledge Sharing

The Project Team should articulate a comprehensive knowledge-sharing strategy that includes the use of the GCF Readiness website and is designed to circulate relevant information between countries on an on-going basis.

228. The Paris-based Project Team, working with all the country offices, Nairobi (UN Environment), New York (UNDP), and Washington DC (WRI) needs to focus on knowledge-sharing. It is noted that WRI's contract with this intervention ended in December 2016, but they also have some relevant materials that might be considered for sharing on a wider scale[46]. This translates into packaging lessons learned and generic products and, at a minimum, posting them on the website, now. It is not sufficient to wait to the end of the Project to post such information, particularly when it is unclear who would maintain the information beyond the project life.

Recommendation 5: Financial Reporting

The limitations of the Project's accounting system in UMOJA make it difficult to track budgets against accruals or expenditures by partner, country, and output. As a management tool, the Project management team should track accruals and expenditures by partner, country, and output.

229. UN Environment's accounting system - UMOJA – does not allow project Managers to track financial data broken down by partner, country, and output level on a real time basis (monthly). This is a common feature of off-the-shelf accounting tools.

Recommendation 6a: Evaluation

The UN Environment Evaluation Office is advised to: a) review the pre-conditions for terminal evaluations that are initiated before technical completion of projects; b) confirm that the requirement for mid-term assessments is fully embedded and visible in key sources of guidance for Project Managers and c) consider developing a 'self-assessment' tool (or similar) for Project Managers to help them prepare for an evaluation so that required documentation is readily available, the Project Information

[46] A working paper 'Direct Access to Climate Finance: Lessons Learned by National Institutions' and several workshop reports were brought to the attention of the evaluation in response to the circulation of the first draft of this Evaluation Report.

Management System (PIMS) is up-to-date, etc. before the evaluation team begins interviewing staff.

230. The Evaluation Team was surprised by the lack of preparation by the Project Team for the evaluation exercise. As a minimum, one would have expected that the Project Team would have organized files and ensured that the Project Information Management System was up-to-date. This is in everyone's interest. To enhance future project evaluations, the Evaluation Team recommends that the Evaluation Office consider requiring a "self-assessment" by the Project Manager prior to each evaluation exercise.

Recommendation 6b: Evaluation (Impact Evaluation)

If there is a new phase of this intervention, and if the funds allow, an Impact Evaluation that assesses what has happened in a sample of the other non-selected 12 countries, is recommended. Alternatively, GIZ is likely to evaluate their project in 2018. Comparison of results across the two projects potentially offers an informal impact evaluation.

231. The Evaluation Team recommends that the UN Evaluation Office consider undertaking an Impact Evaluation by looking at what happened in a sample of the other 12 counties that were considered but not selected for GCF Readiness Support, and/or a sample of the countries selected by the GIZ/KfW Climate Finance Readiness Programme.

ANNEX A: Respondents Comments (only partially accepted)

	Point in text	Respondent's Comments	Evaluation Consultant's Response	Evaluation Office Response
1	Para 10 *In the last four years, working in all nine countries, the Project Team has focussed on supporting "Direct Access' via the NDAs within a context of capacity development and institution strengthening.*	Direct access is not the only focus of the programme. The project team also supported access to the GCF through other entities, as well as the setting up of an institutional framework and planning tools to facilitate such access and overall engagement with the Fund. This sentence, as is, is misleading.	Edit proposed	Edited to read: *In the last four years, working in all nine countries, the Project Team has focussed on supporting "Direct Access' primarily via the NDAs within a context of capacity development and institution strengthening. This work has included supporting the establishment of institutional frameworks and development of tools to facilitate access to GCF funds.*
2	Para 15 *Project contributed to developing project screening systems and the definition of elements for the prioritization of projects for the GCF pipeline. Support has been provided on the design of projects to be submitted to GCF, but most are still at the concept stage.*	This summary of the support is misleading. One of the most important and innovative features of the project is that it significantly increased the understanding of NDA and relevant parties on GCF processes and policies, and supported them in setting up an institutional mechanism to use the prioritization and screening tools to plan for more efficient access to the GCF. The active and organized engagement from different ministries, NGOs, academia etc at the national and sub-national levels on GCF Readiness was unprecedented in all 9 countries. This will impact in the	Edit proposed	Text added: *Respondents highlight the strong contribution the project has made to increase the understanding of NDAs and other relevant parties on GCF processes and polices, and on the support given to them in setting up an institutional mechanism to use the prioritization and screening tools to plan for more efficient access to the GCF.* Footnote added: *Project contributed to developing project screening systems and the definition of elements for the prioritization of projects for the GCF pipeline. Support has been provided on the design of projects to be submitted to GCF, but*

		outputs' sustainability, given that the new Govt structures will be able to continue the work with GCF. In practice, there is little difference between what GCF considers 'concept stage' and fully- developed proposal. Both must be accompanied of supporting assessments and studies (environmental and social safeguards, economic analysis, etc). Also, this must be updated, as some have been submitted to GCF already and have received feedback.		*most are still at the concept[1] stage or are under review.* *[1] In the GCF process it is noted that the 'concept stage' must, similar to the 'fully-developed proposal' be accompanied by supporting assessments and studies.* The Evaluation Office considers the evaluation consultant's rating of 'Likely' under Likelihood of Impact to be consistent with sustainable outputs.
3	Para 19 *While UN Environment continues to report to BMUB against the 10 modules, at the country level, at the time of the evaluation, there appeared to be little to no knowledge about the modules[47].*	This is because the work plans were not designed with the project national coordinators (they were not even in contract, of course). Rather, they were designed with Govts counterparts and activities under the 10 modules were re-formulated according the country's context.	Edit proposed	The comment appears to be consistent with other mentions in the evaluation report. Edits made: *Rather, the Project, in consultation with the respective Governments and before National Coordinators were contracted, designed a series of activities as re-formulations of the 10 modules, which were agreed upon, in some countries resulting in over 20 distinct activities within a country workplan.*
4	Para 22. *The Evaluation Team members were surprised that there seemed to be limited knowledge about the types of project structuring common in many countries, for*	Why is this relevant, and how was this assessed? There are many other 'project structuring' options. PPPs were explored in several countries.	Edit proposed	Text added: *These are only two of several options. Both would have better engaged the private sector on mitigation*

[47] This partly reflects staff changes and that many of the national coordinators were hired after the design of the country programs.

	example (i) Public Private Partnerships; or (ii) Energy Efficiency and Renewable Energy credit lines, via local banks, that blend loans with grants.			
5	Para 24 *In reality, as countries selected the modules that were best suited to them, the level of take up of individual modules varied and some of the potential for deeper learning was lost (e.g. only six countries took up the Measuring, Reporting and Verification (module 4) work even though it was recognised as a distinctive feature of the project).*	With limited funds and time, not all countries prioritized MRV, depending on their baseline.	Edit proposed	The Evaluation Office acknowledges the reasons why the Measuring, Reporting and Verification module was not taken up in every country. However, the result was a loss of potential deeper learning on a distinctive feature of the project. This is disappointing in the light of the intention stated in the project proposal: *'In addition, through a rigorous process of documenting lessons learned and preparing best-practice methodologies and tools, the Programme will demonstrate the sort of country readiness programmes that the GCF Board could subsequently support through fund operations.' Pg. 6.* Edited to read Para 22. *In reality, as countries selected the modules that were best suited to them or that reflected their perceived priorities, the level of take up of individual modules varied and some of the potential for deeper learning was lost (e.g. only six countries took up the Measuring, Reporting and Verification (module 4) work even though it was recognised as a distinctive feature of the project).*
6	Para 26.	This shows the low level of understanding of the Evaluation Team	Edit proposed	Footnote added to the effect that:

	For example, several neighbouring countries already have approved GCF projects, including countries supported under the GIZ/KfW Climate Finance Readiness Programme[48].	in regards to readiness. Having projects approved is not a marker of readiness per se. Many countries with approved projects have difficulty implementing and may not have a structured and sustainable process to systematically and efficiently access the Fund.		*Having an approved project is only one indicator of 'readiness', but is the most straightforward and objective measure and provides a point of comparison across countries, initiatives etc.*
7	Para 27. *Due to the constraints of the accounting system, reports to BMUB are issued with a 6-month delay, which limits management flexibility.*	Is this accurate?	Text changed to: The project team issues reports to BMUB once a year with a 6-month delay, which limits management flexibility.	
8	Para 37. *Delivering institution strengthening and capacity development through national and international consultants, who are not integrated into normal staffing levels of public sector teams, nor remunerated at the same levels, does not guarantee that the activity will be automatically continued, especially if the Government has budget constraints.*	Capacity building may have been delivered by consultants, but the consultants were not the recipients of the training, in most cases. Recipients were government staff and other individuals embedded in the national institutions.	Edit proposed	Edited for clarification: *Having institution strengthening and capacity development delivered by national and international consultants, who are unlikely to be present in the longer term because they are not integrated into normal staffing levels of public sector teams, nor remunerated at the same levels, does not guarantee that the activity will be automatically continued, especially if the Government has budget constraints.*
9	Para 44. ***GCF:*** *The ability to implement this Project relates back to the GCF, its*	I don't think this is the right term for this.	Edit proposed	Edited for clarification:

[48] This is based on comparing countries supported by the GIZ/KfW Climate Finance Readiness Programme against the GCF list of approved projects.

	transparency (Standard Operating Procedures, requirements, forms, etc.), and its ability to rapidly approve projects.			***GCF:*** *The ability to implement this Project relates back to the GCF, the guidance it provides (Standard Operating Procedures, requirements, forms, etc.), and its ability to rapidly approve projects.*
10	Para 46. *Institution building must be sustainable and may not be achieved purely by placing consultants alongside Ministry staff.*	This was not the only mechanism for institution building!		Edited to read: *Effective Institution building benefits from a holistic approach that includes support for the establishment of institutional frameworks and the development of tools as well as long-term technical assistance. Where consultants are placed to work alongside Ministry staff clear sustainability measures/exit plans are necessary.*
11		Project selection is the decision of governments, and in many Programme countries, this was done through the application of the decision-making tools developed to assess projects against national and GCF priorities. Adaptation is the priority in all LDCs, they are very low emitters…		The project intended working with both public and private sector actors and to work on both adaptation and mitigation initiatives. The evaluation reports that working with the public sector and on mitigation activities has been the more dominant area of take up and progress.
12		We do not operate like Financial institutions (e.g. IFC and development banks) and we do not have the same mandate nor the same resources or approaches (IFC or EBRD can come in with millions of dollars even when they intend to raise GCF funding – you can note the way evaluators wrote their comment: 'both EBRD and IFC are	The project was meant to provide certain outputs - Capacity Building and Institutional Strengthening - to achieve stated outcomes - GCF Projects and strengthened institutions to affect climate change at the national level. The partners'	Footnote added on para 83, bullet 4: *The implementing partners point out that financial institutions operate under a different mandate and follow different approaches from development-oriented organisations such as UN Environment or UNDP. Comparisons have been kept as the*

	doing it and obtaining GCF co-financing' meaning they already come in with significant investment funds and see GCF as co-financing). The way IFC or EBRD develops its projects cannot be compared with the way UNDP or UN Environment operate, the main mandate of our organizations is to serve governments (governments are our main clients).	strengths were at the output level; this is what they focused on and did well, for which they deserve credit. However, the partners lacked the project structuring skills and resources of international financial institutions. The problem is that to achieve the outcomes and generate GCF projects, the partners needed strong project structuring skills. In retrospect, the real lesson is that the project should have been more tailored to the partners' strengths and/or they needed a different partner to help deliver the expected outcomes.	*project had the stated intention of working with the private sector, where the financial institutions have more experience.*
13	The programme is still under implementation and significant resources are currently engaged for GCF proposal development with candidate DAEs and international AEs, this started after DAE and project prioritization by the NDA.	The Evaluators note that there have been 2 extensions of one year each, yet many of the expected targets have yet to be achieved. This is reflected in the ratings.	This is a mixed situation: while it means there is still time for further progress to be made, this 'Terminal' Evaluation was launched as early as possible, at the request of the project, which has now secured a further extension. Discussed under limitations in para. 77
14	ESS and gender plan are mandatory for GCF. In addition, as part of the accreditation process we've helped DAEs to establish policies on gender	The Evaluators' point is not that ESS and gender were addressed, but rather there was a missed opportunity to	

	and indigenous/marginalized groups (gender and social safeguards).	develop gender-targeted projects.	
15	It seems to me that the evaluators indirectly imply that we should impose ourselves more in the countries (e.g. impose some conditions) as opposed to playing our advisory role to government and let the country make their decisions for the activities, projects and DAE candidates they want to prioritize for GCF… Does the evaluation team recommend reducing country leadership for decision making? If this is the case, they should be explicit and raise that as a shortcoming of our organizations' approach, not the project team(s).	While it is important to ensure country ownership, there was also an overall project design. It is not a matter of imposing oneself, but rather staying with a well conceived design. And using the 10 modules as a menu for selection.	Any evaluation of the effectiveness of a project has to consider questions such as: what would have happened without the project; were there other ways of achieving the same results; what was the added value of running a project rather than bilateral agreements etc. While the importance of country ownership is recognized, it should be valued within the context of maximizing the potential benefits of a funded and coordinated intervention.
16	We are developing a lessons learnt report and we have collected all deliverables and outputs to make them available on an online repository on our website.		The lessons learned report is mentioned within the evaluation report.
17	The GCF seems to appreciate the support we've been giving, I was on a call with the Ghana NDA who told me that at the latest Africa GCF dialogue early April, the GCF Sec repeated several times that countries in Africa should take example on Ghana and Kenya who have established solid national GCF procedures (e.g. Ghana's project prioritization approach was cited as a best practice by GCF Sec).		The project has an overall rating of 'Moderately Satisfactory', which is the equivalent of point 4 on a 6-point scale. The evaluation is not suggesting that the intervention is not appreciated or has not been successful in some areas.

18	Frankfurt school is an important partner for UN Environment in the programme but should not be put at the same level than UNDP or WRI who were co-implementing partners that participated in the design of the proposal to BMU. *Clarification:* *They should not be cited I think when the report talks in a macro view of the project, the project partners are Un Envt, UNDP and WRI. FS is a partner brought on board by UN Envt on its activities. What I mean is that they should not be introduced later than when the project is introduced. They should be introduced when the report starts mentioning the private sector engagement issue/objective/activities.*	First mention of FS has been edited: Deletion in para 3.
19	*WRI completed its activities earlier but it must be noted that they have not engaged in direct support for DAEs or proposal development. They were not as dependent on government decision-making (such as the agreement of prodoc, nomination of candidate DAEs to support under the programme or prioritization/selection of project proposals to develop with support from the programme).* *Clarification:*	First mention of WRI implementation has been edited: Para 44 Bullet 3, para 44

		When reading the report the text seems to imply that they had a great performance compared to UNDP and UN Envt but my assessment is that we are actually doing the ground work which leads to the impacts/results in the area of accreditation (working with the dynamics in the country and institutions we support). And I would like the report to acknowledge that WRI could undertake their activities as initially planned since it did not require a deep engagement with the government and institutions supported.		
20		1. The respondent thinks that the Evaluation Report 'really missed the point on a number of important issues'. 2. The evaluators do not seem to understand the GCF (e.g. difference between NDA and DAE). 3. The main criteria to measure success is taken as 'the number of GCF proposals generated' and the report seems to imply that the project was a failure because it didn't facilitate a single funding proposal that was a large-scale loan to a mitigation project --- which was of course not the purpose of this project.	Point 1: The project has been evaluated against its formally stated design, intended results and official correspondence/minutes involving the donor. UN Environment requires an evaluation of project performance against results (i.e. outcome level rather than the delivery of outputs). The two stated outcomes are: • institutional capacity of national entities is built and strengthened, with a focus on enabling direct access to climate finance;	The Evaluation Office acknowledges that: - The GCF is a new funding mechanism that aims to be country driven - Developing country ownership is a key element in effectiveness and sustainability and that this may sometimes lengthen project delivery processes - Capacity building and institutional strengthening are also long-term and challenging areas - The development of proposals and their approval is likely to occur in the latter stages of the project and this project has recently been extended by an additional year. However, any evaluation can only assess performance against its stated intentions and the evaluation consultants have made

- climate change mitigation and adaptation investment strategies, programmes and projects (including development of pipeline for GCF funding), including through the active involvement of the private sector, are developed.

Point 2:
It is acknowledged that the GCF is a new funding mechanism and the evaluators, like the Project Team and National Coordinators, are learning about the Fund as it develops

The new vocabulary for GCF was not used consistently by all respondents, which contributed to some typographical errors. However, the evaluators have sufficient understanding of GCF to be able to assess the performance of the project in relation to its stated aims in the context of the GCF.

reasonable interpretations of the two outcome statements. The achievement of direct outcomes is the highest level to which the Evaluation Office holds projects accountable.

		Point 3:'GCF Readiness' was taken to mean a balanced state of readiness that encompasses the whole funding opportunity offered by this new funding mechanism (adaptation/mitigation; grants/loans). Outcome 2 explicitly refers to the development of a pipeline of proposals In the minutes from the Project Steering Committee meeting of March 2016 it is reported that BMUB emphasized the need for projects and not only overall GCF awareness building.	
21	In general, I think the Report and Case Studies are quite fair, there is only one major conclusion I would draw attention to. I think the conclusion on adaptive management is quite wrong. I think this is evidenced by the significant changes that were made to address developing country circumstances, technical expertise (limited globally) and deliverables related to GCF changes. Comments in the attached elaborate.	• This may be a fair observation but was not evidenced by the information provided to the Evaluation Team. • Our observation was that the Paris-based project management team could have benefitted from more flexibility particularly with respect to shifting funds between countries and partners.	The Evaluation Office acknowledges that the conditions surrounding movement of funds is governed by agreements with the donor and also that if budget movements had involved withdrawing previously committed funds from one country to another, that this would have presented other political challenges. However, in instances of uncertainty, such as the launch of a new funding mechanism, it is reasonable to expect aspects of flexibility (e.g. a phased allocation of funds at country level contingent on progress; a mid-term

		• Demonstrating success in a few countries would have made a more powerful statement than delays in all countries.	assessment and corrective action etc), to be built into a project's design and workplan.
22	Whereas I welcome the feedback of the evaluators, particularly in regards to the structure of the partnership and project design, and I acknowledge the amount of work put in this exercise, it is my view that there are 2 major shortcomings: 1. The overall quality of the report is not up to the expected standards: text is repeated in different sections; tables are not numbered correctly; the use of language is very casual/ colloquial in most instances, subtracting seriousness to the report. It would have been useful to have more visual aids along the document, such as graphs, pie charts, etc. Lastly, there are few instances in which the evaluators mention that 'countries' did not respond to questionnaires or surveys. I find it problematic that we are only now informed of the failure of some coordinators to respond. Had Jonathan or I been contacted, we would have pushed for these responses. 2. It is evident that the evaluators do not have a solid understanding of	• Regarding point one, we have attempted to shorten and tighten the report. Some repletion is imposed by the evaluation report structure. • The project Team and Evaluation Office – not the evaluation team - picked the four countries to be representative. More engagement with the other five would have been useful, but likely would not have changed our conclusions. In fact, two countries, Philippines and El Salvador are even further delayed than the four countries visited. • Regarding point two, see above.	Draft 0, which was originally circulated, was further edited to address tone, repetitions, numbering etc. The Evaluation Office records that representatives from two implementing partners were dissatisfied with the evaluation report on several cross-cutting issues, including: - The level of expected achievement at outcome level (i.e. references to the number of proposals accepted by the GCF) - Appropriateness of comparing the performance of development-oriented agencies with other initiatives (e.g. GIZ project) and financial institutions (e.g. IFC and EBRD) - Interpretation and analysis of the institution strengthening and capacity building approach.

		GCF processes and of the intentions of the project and nature of capacity- building efforts in developing countries. Some statements/ assumptions are inaccurate and unfortunately have an impact on the ratings for some of the performance categories.		
23		Thank you for allowing us to comment on these documents. We found them interesting, but also hope that there can be a correction of some inaccurate information. We have included important suggested edits and comments in the three attached documents. Overall: 1. The document was interesting to read and we agree with many of the findings. We suggested a couple of key corrections, including accurate budget numbers. 2. It seems that the reviewers understood the project to be extending for just one year. This is actually the second extension – the project was supposed to end in 2016, which is why WRI completed its contract by then. There	Point One: The Evaluation Team remains frustrated that project wide expenditure data are not available and that the data that are available from UN Environment dates to 2016. Point Two: Noted and corrected. Point Three: This supports our recommendation.	The Evaluation Office notes that financial information was provided in parts at different stages of the evaluation and from different sources. At the Terminal Evaluation stage of a 4-year (extended to 6 years) project with a secured budget of Euro 15million from a single donor, it is reasonable to have expected more complete and centralized financial information that could be easily interrogated by country and project components.

		seemed in the report to be a notion that WRI forged ahead with activities out of frustration. It's more accurate to say that WRI implemented its activities according to the original schedule, in coordination with the other partners. The UN activities were delayed. 3. WRI only received 7% of the funding. The partnership is therefore not an equal one, and so we appreciate when there is differentiation made between the partners. For example, there is a recommendation that more emphasis be placed on knowledge exchange. We agree with this recommendation generally but would like to note that WRI put significantly more effort into such exchange than the other partners.		
24		Frankfurt School comments are addressed within the text. Two main points considered are: Frankfurt School asserts that it takes time (minimum 12 months) to develop a GCF project.	The Evaluation Team looked at the following comments and made changes where we felt we could. • Frankfurt School asserts that it takes time (minimum 12 months) to	The Evaluation Office acknowledges that intergovernmental development organisations like UNDP or UN Environment operate differently (different resource envelopes, ways of working etc) from financial institutions like IFC and EBRD.

		Frankfurt School also provided comments that relates to work now scheduled for April 2018.	develop a GCF project. From the Evaluator's experience at both EBRD and IFC, we disagree. Gaining GCF's approval may take time, but packaging a good project should not take so long. IFC and EBRD do this all the time, in these countries, so it is not clear why a GCF project should take substantially longer. What was perhaps missing is the project structuring skills that the IFIs bring. Frankfurt School also provided comments that relates to work now scheduled for April 2018. Such tasks were not completed or ongoing during the site visits so it would have been impossible to evaluate them then. This reinforces the issue of significant delays.	However, as this project had the stated intention of working with both the public and private sectors, the comparison provides insight. A note has been included in the Executive Summary to note the differences between the two types of institution.
25	***<u>Recommendation 1: Legal and Regulatory Reform</u>*** *As part of the institution strengthening and capacity building activities, the Project should review the status of climate friendly laws, with an emphasis on private sector development in each*	Most countries focused a big portion of funds and activities to private sector assessment and institution strengthening. Terms of Reference, SOPs, and other documentation to guide the institutional mechanisms to engage with the Fund, in terms of planning project submissions and		Comment entered in Recommendations Implementation Plan

	of the nine countries and provide additional support where needed to ensure that each country has the necessary climate change architecture/enabling frameworks in place.	implementation monitoring. Benin did use project funds for the development of a national policy and national law on climate change. Activities were co-designed with the government focal points.		
26	***<u>Recommendation 3a: Project Pipeline Development</u>*** *The Project needs to make a concentrated effort on working with the identified Direct Access Entities to prepare fully structured project proposals.*	Not all potential DAEs are accredited and hence it was the Government's decision to use project's funds and technical support to work with international AEs. It is beyond the capacities of the project teams to ensure that GCF will in fact accredit potential DAEs. The global programme would have had to be extended indefinitely, in order to ensure that support can be given to a not-accredited potential DAE to develop proposals.		Comment entered in Recommendations Implementation Plan
27	***<u>Recommendation 3b: Project Pipeline Development (Gender Focus)</u>*** *In line with GCF and the implementing partners' own policies, all project proposals should continue to address the differentiated needs of vulnerable / marginalised groups, especially those of women and indigenous groups.*	It has been emphasized at different levels and in different activities that the project concepts take into account gender sensitivities and incorporate strategies for empowerment.		Comment entered in Recommendations Implementation Plan

B. List of Documents Referenced

This list does not contain country specific documents, which were utilized and referenced in each of the country case studies.

Table B1: Documents consulted for overall evaluation

UNEP Evaluation Office, TOR UN Environment/UNDP/WRI GCF Readiness Programme, 2017.
UNEP Project Review Committee Report on UN Environment/UNDP/WRI GCF Readiness Programme, 2014.
UNEP Programme Document, UN Environment/UNDP/WRI GCF Readiness Programme,, 2014
Selected country level documents
GCF design documents as available on-line
PIMS

Table B2: Documents consulted for Colombia

UNEP Evaluation Office, TOR UN Environment/UNDP/WRI GCF Readiness Programme, 2017.
UNEP, Colombia Country Assessment, 2013.
UNEP Project Review Committee Report on UN Environment/UNDP/WRI GCF Readiness Programme, 2014.
UNEP Programme Document, UN Environment/UNDP/WRI GCF Readiness Programme,, 2014
Selected country level documents
GCF design documents as available on-line

Table B3: Documents consulted for Ghana

Climate finance in Ghana, ODI London with the Institute of Statistical, Social and Economic Research, University of Ghana, 2015
Climate Change, Project Prioritization Tool and Guidelines, Feb. 2016, financed under the GCF Readiness Programme, MoF, MESTI and consultants
NDA, Operations Manual, Feb. 2016, financed under the GCF Readiness Programme
Climate Change Finance Tracking Tools, Manual for Ghana, financed under the GCF Readiness Programme, consultants and MoF, MESTI, ODI etc., June 2016
UNEP Evaluation Office, TOR UN Environment/UNDP/WRI GCF Readiness Programme, 2017.
UNEP, Ghana Country Assessment, 2013.
UNEP Project Review Committee Report on UN Environment/UNDP/WRI GCF Readiness Programme, 2014.
UNEP Programme Document, UN Environment/UNDP/WRI GCF Readiness Programme, 2014
Selected country level documents
GCF design documents as available on-line

Table B4: Documents consulted for Kenya

Government of Kenya, National Climate Change Action Plan 2013 -2017
NEMA, GCF Concept Note for "Low Emissions, Efficient Transport with a Focus on the Co-benefits of Enhanced Air Quality", 2015
James A. Nyang'aya and Madara Ogot, Feasibility Study to Inform Project Development of the Green Climate Fund (GCF), Submitted to UNEP, 2016
UNEP, Kenya Country Assessment, 2013.
UNEP Project Review Committee Report on UN Environment/UNDP/WRI GCF Readiness Programme, 2014.
UNEP Programme Document, UN Environment/UNDP/WRI GCF Readiness Programme, 2014
Selected country level documents

Table B5: Documents consulted for Nepal

UNEP Evaluation Office, TOR UN Environment/UNDP/WRI GCF Readiness Programme, 2017.
UNEP, Nepal Country Assessment, 2013.
UNEP Project Review Committee Report on UN Environment/UNDP/WRI GCF Readiness Programme, 2014.
UNEP Programme Document, UN Environment/UNDP/WRI GCF Readiness Programme, 2014
Selected country level documents

C. List of Persons Interviewed

This list does not contain the names of all the individuals interviewed while conducting the country case studies.

Table C1: Individuals consulted for overall evaluation

Name	Position/Organization
Marko Berglund	Project Manager, UNEP GCF Readiness Programme
Jonathan Duwyn	GCF Readiness Team, UNEP
Francoise d'Estais	Head, Finance Unit, UNEP
Nicole Grunewald	BMUB
Maria Paula Jaramillo	GCF Readiness Team, UNEP
Alexander Koch	Interim Project Manager, UNEP GCF Readiness Programme
Gaia Larsen	WRI Project Coordinator
Carola Menzel	Frankfurt School of Management, Senior Manager
Claudia Ortiz	UNDP Project Coordinator
Aarth Saraph	GCF Readiness Team, UNEP
Luca Soppelsa	Frankfurt School of Management, Project manager
Barney Dickson	Head Climate Change Adaptation Unit, UNEP
Ermira Fida	GCF Coordinator, UNEP
Janet Wildish	Evaluation Officer, UNEP Evaluation Office

Table C2: Individuals consulted in Colombia

Name	Position/Organization
Juan Gabriel Avendano	Public Sector Finance Specialist, UNDP
Andres Baquero	Consultant BID
Juan Camilo Barreneche	National Coordinator, Programme
Victoria Ximena Corena	Intl. Department, Findeter
Edgar Cruz	Consultant, Programme
Roberto Esmaral	BID
Juan Felipe Franco	Coordinator MRV
Laura Lanz	Bancoldex
Sebastian Lema	Climate Finance Coordinator
Isabel Mantilla	Director Sustainability, ASOBANCARIO
Lina Penuela	Consultant
Paola Pulido	Consultant
Catalina Quintero	Technical Assistant UNEP
Mariana Rojas	Director Climate Finance Ministry of Environment
Javier Sabogal	Consultant Finance Ministry
Maria Paz Uribe	Head Intl. Bank, Findeter
Elizabeth Valenzuela	Climate Finance Coordinator, Fondo Accion

Table C3: Individuals consulted in Ghana

Name	Position/Organization
Macdonald Acquah	Institutional Development Specialist, SIF
Kwaku Agbesi	Procurement Specialist, SIF
Justice Akuffo-Henaku	Business Development Manager, SIF
Kennedy Amankwa	Energy Commission
Stella Arthur	SIF
Albert Kofi Asamoa-Baah	Technical Advisor, SIF
Ebenezer Ashie	Energy Commission
Wilson Benneh	Institutional Development Manager, SIF
Peter Dery	MESTI
Ayirebi Frimpong	NC
Kingsley Kwako Amoako	MoFA
Robert Mensah	NDA
Charlotte Ntim	World Bank
Paolo Dalla Stella	UNDP
Caleb Yakubu	GCF Readiness Team

Table C4: Individuals consulted in Kenya

Name	Position/Organization
Mwihaki Annpatliz	Kenya Council of Governors for GCF
Fatuma M. Hussein	National Project Coordinator, GCF Readiness Programme, UNDP
John Kioli	Kenya Climate Change Council
Wangare M. Kirumba	GCF Coordinator, NEMA
Paul Mbole	DANIDA
Dorothy Murithi	GDC, Geothermal Development Company
Peter Odhengo	NDA, Kenya Treasury
Milton Ogada	Green Africa Foundation
Blaise Okinyi	Department of Livestock
Zipora Oteino	FAO
Caroline W. Sonje	Kenya Commercial Bank (KCB)
Kaori Yasuda	IUCN

Table C5: Individuals consulted in Nepal

Name	Position/Organization
Chakra Pani Acharya	Program Director / Under Secretary National Planning Commission Secretariat
Shrawan Adhikary	Program Officer FAO
Baikuntha Aryal	NDA/Joint Secretary Ministry of Finance
Siddharatha B. Bajracharya	Executive Director National Trust for Nature Conservation
Raju Pandiut Chhetri	Director Prakriti Resource Centre
Andrey Chicherin	Senior Project Finance Specialist

	GCF
Jane Clark	DfID
Nawa Raj Dhakal	Director Alternative Energy promotion Centre
Sindhu Prasad Dhungaga	REDD Implementation Centre Ministry of Forests and Soil Conservation
Govinda Gajurel	National Trust for Nature Conservation
Samiksha Gurung	GCF Readiness Programme Ministry of Finance
Sarita Jnawali	Program Director National Trust for Nature Conservation
L.B. Khatri	Intl. Economic Cooperation coordination Division. Ministry of Finance
Er. Govinda Prasad Kharel	Under Secretary Ministry of Physical Infrastructure and Transport
Uttam Kunwar	Federation of Nepalese Chambers of Commerce and Industry
Ram Prasad Lamsal	Joint-Secretary Ministry of Population and Environment
Hyejin Lee	Associate Professional, Private Sector Facility, GCF
Renaud Meyer	Country Director UNDP
Manish Raj Pandey	Senior Conservation Officer National Trust for Nature Conservation
Santosh Pandey	Country Officer IFC
Janak Sharma Poudyal	Acting CEO Global IME Bank
Pragyajan Yalamber Rai	Programme Coordinator UNDP
Aarti Rana	Global IME Bank
Sujan Rana	Ministry of Livestock Development
Sagar Kumar Rimal	Under Secretary Ministry of Forests and Soil Conservation
Arun K. Shah	Assistant Director Nepal Rastra Bank
Neelam Sharma Rijal	Sr. Programme Officer Alternative Energy Promotion Center
Shobha Shrestha	Branch Manager Nepal Investment Bank
Dilip Singh Thapa	Deputy General Manager Agricultural Development Bank
Prabin Man Singh	Programme Director Prakriti Resource Centre
Vijaya P. Singh	Assistant Country Director UNDP
Prahlad Thapa	Country Representative IUCN
Kabishi Tshilumba	Entity Relationship Coordinator

D. Results Frameworks

This annex presents documented results frameworks as presented at various points and the country specific work programme results frameworks.

Table C1: Documented Results Frameworks

SOURCE	2013 (funding proposal) ***Submitted to, and funded by, BMUB.***	PIMS Results Statements ***As posted in the UN Environment database.***	Synthesis as observed in four Country Assessment**s** ***Note, the results framework varied by country.***
Objective:	The overarching goal of the GCF Readiness Support Programme is to prepare countries to access, manage, deploy, and monitor scaled-up financing through the Green Climate Fund.	Not provided.	Not stated.
Outcomes:	a) Institutional capacity of national entities is built and strengthened, with a focus on enabling direct access to climate finance.	(2014/16) Increased capacity of participating countries to develop climate projects and to access finance for climate priorities including through the engagement of the private sector	I. Institution building: Institutional coordination of NDA is strengthened with respect to climate finance; capacities are developed to access and manage climate finance.
	b) Climate change mitigation and adaptation investment strategies, programmes and projects (including development of pipeline for GCF funding), including through the active involvement of the private sector, are developed.		II. Capacity Development: Ability of national implementing entities to develop quality proposals, access, and properly manage climate finance. III. Project Pipeline Development: Implementing entities have quality proposal(s) to present to GCF.

Outputs:	*The 10 modules listed as 'Activities' in the LF, 2014 and Project Document, from page 16 column.* Each module has a 'result' and an 'output.'	A) Development of tools and methods for monitoring climate finance.	1. Institutional building activities undertaken in support of the NDA to manage climate finance.
		B) Training to build up skills required for accessing and monitoring climate finance	2. Capacities development activities implemented to support National Implementing Entities (NIEs) and multiple Executing Entities (EEs).
		C) Technical Assistance to government focal points and relevant private sector actors to develop new climate proposals, new financial products and services and to support NIE/NDA accreditation process	3. Pipeline of projects and programmes is developed.
Activities:	**Work package A: Building/strengthening the institutional capacities of national entities, with a focus on enabling direct access.**	PIMS provides indicators and milestones, with implies activities, but does not list specific activities.	Work programmes and activities vary by country. This is a composite based on four site visits.
	Module 1: Map the financial structure and capacities of national systems for managing adaptation and mitigation finance across various institutions and levels.		1.1 Identification of priority projects / programmes.
	Module 2: Develop national and / or sectorial financial planning capacities to understand, allocate, and communicate financial needs related to climate change.		1.2 Stakeholder engagement on priority projects / programmes.
	Module 3: Assist countries in identifying, establishing, and strengthening implementing entities (IE) and national designated authorities (NDA) in order to access climate finance.		1.3 Institutional Strengthening for NDA.

	Module 4: Develop systems including tools and methods for national and sub-national monitoring and reporting on climate finance including its results		2.1 Support for fast track accreditation process for at one to two NIEs.
	Module 5: Establish communication linkages between national and regional readiness activities and on-going global processes		2.2 Support for accreditation of selected priority institutions.
	Work package B: Preparation of country programmes and capacity developed to design and deliver a project pipeline for GCF support.		
	Module 6: Facilitate national level climate investment consultations		2.3 Institutional capacity building for NDA and executing entities.
	Module 7: Prepare guidelines and tools for climate related assessments and for identification and formulation of proposals for funding		3.1 Support NDA and NIEs through institutional building as it relates to GCF and accreditation.
	Module 8: Develop capacity of countries to design and deliver a pipeline of climate projects and provide them with targeted technical and financial support in order to make them bankable.		3.2 Support for development of priority project / programme proposals.
	Module 9: Train local financial institutions to build up the skills required for climate related investment activity		
	Module 10: Provide technical assistance and funding support to local financial institutions to develop new financial products and services for prioritized climate sectors.		

Table C2: Comparison of all Nine Country Results Frameworks under the UN Environment/UNDP/WRI GCF Readiness Programme

Benin	Colombia	El Salvador	Fiji	Ghana	Kenya	Nepal	Philippines	Uzbekistan	Uzbekistan
Reports on 5 "Results"	Reports on 4 "Outputs"	Reports on 3 "Outputs"	Reports on 4 "Outputs"	Reports on 4 "Outputs"	Reports on 3 "Outputs"	Reports on 3 "Outputs"	Reports on 3 "Outputs"	Reports on 1 "Output" and 5 "Activity Results"	Reports on 5 "Activity Results"
Result 1: The capacity of national institutions to access climate finance is reinforced	Output 1: National capacities strengthened for access to and management of climate finance from international and domestic sources.	Output 1: Improved institutional capacities for governance and climate finance management at different levels, including the building and putting in place of the institutional/operational arrangement for a national implementing entity	Output 1: Strengthened coordination among stakeholders and institutions of national and sub-national entities to manage and deliver climate finance	Output 1: Strengthened institutional and fiduciary capacity to enable entity to access the GCF	Output 1: Capacities (including stakeholder engagement, outreach and project/programme identification) of the National Treasury and Economic Affairs Department (the NDA) are strengthened	Output 1: The core institutional capacity of NDA and NIE to access, absorb and manage climate finance is enhanced	Output 1: Selection of national and sub-national entities as NIE for direct access to the GCF.	Output 1: Capacities of stakeholders in Uzbekistan to plan for, access, manage, and monitor climate change finance at the national and sub-national levels developed	Activity Result 1: Awareness and understanding on GCF and its priorities and processes raised, and coordination of climate finance strengthened at national level
Result 2: Key players are more aware of the issues of climate change and the need to integrate them into national planning and national budgeting	Output 2: Capacity strengthening and availability of information to monitor, orient and optimize climate finance flows, including GCF and to mobilize other international and national sources.			Output 2: Enhanced coordination among stakeholders and institutions of national and sub-national entities to manage and deliver climate finance					Activity Result 3: Investment frameworks for adaptation and mitigation detailing financial needs to address climate change developed, and sources of funding identified

Result 3: The political, policy and regulatory frameworks on climate change are strengthened and climate change are integrated transversely in policies, strategies and budgets.						Output 2: Preparation of investment frameworks for adaptation and mitigation options to reduce climate change induced disaster risks			
Result 4: The capacity of governmental and non-governmental actors to prepare, evaluate, and monitor projects is strengthened.	Output 3: Strengthened capacities and knowledge of project developers with emphasis on private sector and regional development in order to manage and plan projects and programs for adaptation and mitigation	Output 2: Strengthened capacities of SMEs, MSMEs and executing entities for formulating projects, accessing climate finance and applying the resources from that source to project implementation, helping the sector advance and improve its efficiency and social and environmental performance	Output 2: Enhanced institutional capacities (e.g. fiduciary standards) to align with internationally-accepted benchmarks and safeguards, as described in the Green Climate Fund and Adaptation Fund, and identifying an implementing entity with the goal of achieving direct access under the AF and GCF.	Output 3. Development of a system for identifying, prioritizing, and developing bankable and measurable climate change programs/projects	Output 2: Institutional capacity building for two Implementing Entities (NIEs) and multiple Executing Entities (EEs)	Output 3: The national capacity to prepare project pipeline (bankable projects and programmes) is developed			Activity Result 2: National capacities to develop a pipeline of climate projects and attract investment **built**

Result 5: Decision making tools are strengthened									Activity Result 4: Uzbekistan's LFIs, including national, sub-national, and private sector institutions, are able to effectively identify and evaluate proposals for climate finance from national stakeholders seeking funding
									Activity Result 5a: Monitoring, learning, adaptive feedback, outreach and evaluation conducted Activity Result 5b: Programme Management
		Output 3: Training and building of a project portfolio for climate finance with the Inter-Institutional Climate Finance Committee, municipal governments and relevant non-governmental stakeholders	Output 3: Strengthening systems and human resources to identify, prioritize, and develop fundable climate change programs/projects.		Output 3: Pipeline of projects and programmes is developed		Output 2: Develop a pipeline of prioritized climate change programs/projects ready for submission to GCF.		

	Output 4: Engaging public and private financial institutions to create new financial products and services in connection with climate finance. Creating capacity for joint work of public and private financial institutions in climate finance.		Output 4: Engaged private sector and systems established to attract private sector resources towards climate change goals	Output 4: Leveraging of private sector resources to scale up climate change solutions through market based and inclusive value chain business model			Output 3: Support the preparation of a public private partnership (PPP) modality to implement climate mitigation and adaptation solutions		

E. UN Environment Results Weighting Table

Evaluation criteria	Rating	Score	Weight	Weighted Score
Strategic Relevance	**Satisfactory**	**5**	6	0.3
Alignment to MTS and POW	Satisfactory	5	1	
Alignment to UNEP/GEF/Donor strategic priorities	Satisfactory	5	1	
Relevance to regional, sub-regional and national issues and needs	Highly Satisfactory	6	2	
Complementarity with existing interventions	Moderately Satisfactory	4	2	
Quality of Project Design	Moderately Satisfactory	4	4	0.2
Nature of External Context	Moderately Favourable			
Effectiveness	**Moderately Satisfactory**	**4**	45	1.6
Delivery of outputs	Moderately Satisfactory	4	5	
Achievement of direct outcomes	Moderately Unsatisfactory	3	30	
Likelihood of impact	Likely	5	10	
Financial Management	**Moderately Satisfactory**	**4**	5	0.2
Completeness of project financial information	Moderately Satisfactory	4		
Communication between finance and project management staff	Moderately Satisfactory	4		
Efficiency	Moderately Unsatisfactory	3	10	0.3
Monitoring and Reporting	**Moderately Satisfactory**	**4**	5	0.2
Monitoring design and budgeting	Moderately Satisfactory	4		
Monitoring of Project Implementation	Satisfactory	5		
Project Reporting	Moderately Unsatisfactory	3		
Sustainability	**Likely**	**5**	20	1.0
Socio-political sustainability	Likely	5		
Financial sustainability	Likely	5		
Institutional sustainability	Likely	5		
Factors Affecting Performance	**Satisfactory**	**4**	5	0.2
Preparation and readiness	Satisfactory	5		
Quality of project management and supervision	Moderately Satisfactory	4		
Stakeholder participation and cooperation	Moderately Satisfactory	4		
Responsiveness to human rights and gender equity	Moderately Satisfactory	4		
Country ownership and driven-ness	Highly Satisfactory	6		
Communication and public awareness	Moderately Unsatisfactory	3		
			100	**3.98**

OVERALL PROJECT PERFORMANCE RATING	**Moderately Satisfactory**

F. Quality Assessment of the Evaluation Report

Quality Assessment of the Evaluation Report

Evaluation Title:

UN ENVIRONMENT/UNDP/WRI GCF Readiness Programme – Terminal Evaluation

All UN Environment evaluations are subject to a quality assessment by the Evaluation Office. This is an assessment of the quality of the evaluation product (i.e. evaluation report) and is dependent on more than just the consultant's efforts and skills. Nevertheless, the quality assessment is used as a tool for providing structured feedback to evaluation consultants, especially at draft report stage. This guidance is provided to support consistency in assessment across different Evaluation Managers and to make the assessment process as transparent as possible.

	UN Environment Evaluation Office Comments	Final Report Rating
Substantive Report Quality Criteria		
Quality of the Executive Summary: The Summary should be able to stand alone as an accurate summary of the main evaluation product. It should include a concise overview of the evaluation object; clear summary of the evaluation objectives and scope; overall evaluation rating of the project and key features of performance (strengths and weaknesses) against exceptional criteria (plus reference to where the evaluation ratings table can be found within the report); summary of the main findings of the exercise, including a synthesis of main conclusions (which include a summary response to key strategic evaluation questions), lessons learned and recommendations.	Final report: All requirements met	5
I. Introduction A brief introduction should be given identifying, where possible and relevant, the following: institutional context of the project (sub-programme, Division, regions/countries where implemented) and coverage of the evaluation; date of PRC approval and project document signature); results frameworks to which it contributes (e.g. Expected Accomplishment in POW); project duration and start/end dates; number of project phases (where appropriate); implementing partners; total secured budget and whether the project has been evaluated in the past (e.g. mid-term, part of a synthesis evaluation, evaluated by another agency etc.) Consider the extent to which the introduction includes a concise statement of the purpose of the evaluation and the key intended audience for the findings?	Final report: All requirements met	5
II. Evaluation Methods This section should include a description of how the *TOC at Evaluation*[49] was designed (who was involved etc.) and applied to the context of the project? A data collection section should include: a description of evaluation methods and information sources used, including the number and type of respondents; justification for methods used (e.g. qualitative/ quantitative; electronic/face-to-face); any selection criteria used to identify respondents, case studies or sites/countries visited; strategies used to increase stakeholder engagement and consultation; details of how data were verified (e.g. triangulation, review by stakeholders etc.). Methods to ensure that potentially excluded groups (excluded by gender, vulnerability or marginalisation) are reached and their	Final report: Evaluation Office had to add several paras on limitations as the commenting process proved to be contested.	4

[49] During the Inception Phase of the evaluation process a *TOC at Design* is created based on the information contained in the approved project documents (these may include either logical framework or a TOC or narrative descriptions). During the evaluation process this TOC is revised based on changes made during project intervention and becomes the *TOC at Evaluation*.

experiences captured effectively, should be made explicit in this section. The methods used to analyse data (e.g. scoring; coding; thematic analysis etc.) should be described. It should also address evaluation limitations such as: low or imbalanced response rates across different groups; gaps in documentation; extent to which findings can be either generalised to wider evaluation questions or constraints on aggregation/disaggregation; any potential or apparent biases; language barriers and ways they were overcome. Ethics and human rights issues should be highlighted including: how anonymity and confidentiality were protected and strategies used to include the views of marginalised or potentially disadvantaged groups and/or divergent views.		
III. The Project This section should include: • *Context:* Overview of the main issue that the project is trying to address, its root causes and consequences on the environment and human well-being (i.e. synopsis of the problem and situational analyses). • *Objectives and components*: Summary of the project's results hierarchy as stated in the ProDoc (or as officially revised) • *Stakeholders:* Description of groups of targeted stakeholders organised according to relevant common characteristics • *Project implementation structure and partners:* A description of the implementation structure with diagram and a list of key project partners • *Changes in design during implementation:* Any key events that affected the project's scope or parameters should be described in brief in chronological order • *Project financing:* Completed tables of: (a) budget at design and expenditure by components (b) planned and actual sources of funding/co-financing	Final report: All areas covered. Useful table of modules.	5
IV. Theory of Change The TOC at Evaluation should be presented clearly in both diagrammatic and narrative forms. Clear articulation of each major causal pathway is expected, (starting from outputs to long term impact), including explanations of all drivers and assumptions as well as the expected roles of key actors. Where the project results as stated in the project design documents (or formal revisions of the project design) are not an accurate reflection of the project's intentions or do not follow OECD/DAC definitions of different results levels, project results may need to be re-phrased or reformulated. In such cases, a summary of the project's results hierarchy should be presented for: a) the results as stated in the approved/revised Prodoc logframe/TOC and b) as formulated in the TOC at Evaluation. *The two results hierarchies should be presented as a two column table to show clearly that, although wording and placement may have changed, the results 'goal posts' have not been 'moved'.*	Final report: Good attempt at TOC although the extended project team never reached clear consensus on the main results the project was intended to achieve (i.e. capacity building vs project proposals prepared/funded)	5
V. Key Findings **A. Strategic relevance:** This section should include an assessment of the project's relevance in relation to UN Environment's mandate and its alignment with UN Environment's policies and strategies at the time of project approval. An assessment of the complementarity of the project with other interventions addressing the needs of the same target groups should be included. Consider the extent to which all four elements have been addressed:	Final report: All areas covered.	5

i. Alignment to the UN Environment Medium Term Strategy (MTS) and Programme of Work (POW) ii. Alignment to UN Environment/ Donor/GEF Strategic Priorities iii. Relevance to Regional, Sub-regional and National Environmental Priorities iv. Complementarity with Existing Interventions		
B. Quality of Project Design To what extent are the strength and weaknesses of the project design effectively <u>summarized</u>?	Final report: All areas covered.	5
C. Nature of the External Context For projects where this is appropriate, key <u>external</u> features of the project's implementing context that limited the project's performance (e.g. conflict, natural disaster, political upheaval), and how they affected performance, should be described.	Final report: All areas covered.	5
D. Effectiveness **(i) Outputs and Direct Outcomes:** How well does the report present a well-reasoned, complete and evidence-based assessment of the a) delivery of outputs, and b) achievement of direct outcomes? How convincing is the discussion of attribution and contribution, as well as the constraints to attributing effects to the intervention. The effects of the intervention on differentiated groups, including those with specific needs due to gender, vulnerability or marginalisation, should be discussed explicitly.	Final report: All areas covered	5
(ii) Likelihood of Impact: How well does the report present an integrated analysis, guided by the causal pathways represented by the TOC, of all evidence relating to likelihood of impact? How well are change processes explained and the roles of key actors, as well as drivers and assumptions, explicitly discussed? Any unintended negative effects of the project should be discussed under Effectiveness, especially negative effects on disadvantaged groups.	Final report:	4
E. Financial Management This section should contain an integrated analysis of all dimensions evaluated under financial management and include a completed 'financial management' table. Consider how well the report addresses the following: • *completeness* of financial information, including the actual project costs (total and per activity) and actual co-financing used • *communication* between financial and project management staff	Final report: Financial information finally received from partners rather than UN Environment *(if this section is rated poorly as a result of limited financial information from the project, this is not a reflection on the consultant per se, but will affect the quality of the evaluation report)*	5
F. Efficiency To what extent, and how well, does the report present a well-reasoned, complete and evidence-based assessment of efficiency under the primary categories of cost-effectiveness and timeliness including: • Implications of delays and no cost extensions • Time-saving measures put in place to maximise results within the secured budget and agreed project timeframe • Discussion of making use of/building on pre-existing institutions, agreements and partnerships, data sources, synergies and complementarities with other initiatives, programmes and projects etc. • The extent to which the management of the project minimised UN Environment's environmental footprint.	Final report: Substantial discussion provided.	5

G. Monitoring and Reporting How well does the report assess: • Monitoring design and budgeting *(including SMART indicators, resources for MTE/R etc.)* • Monitoring of project implementation *(including use of monitoring data for adaptive management)* • Project reporting *(e.g. PIMS and donor report)*	Final report: All areas covered	5
H. Sustainability How well does the evaluation identify and assess the key conditions or factors that are likely to undermine or contribute to the persistence of achieved direct outcomes including: • Socio-political Sustainability • Financial Sustainability • Institutional Sustainability	Final report: All areas covered	5
I. Factors Affecting Performance These factors are <u>not</u> discussed in stand-alone sections but are **integrated in criteria A-H as appropriate**. Note that these are described in the Evaluation Criteria Ratings Matrix. To what extent, and how well, does the evaluation report cover the following cross-cutting themes: • Preparation and readiness • Quality of project management and supervision[50] • Stakeholder participation and co-operation • Responsiveness to human rights and gender equity • Country ownership and driven-ness • Communication and public awareness	Final report: Sections had to be cut back because of repetition within the report.	4
VI. Conclusions and Recommendations **i. Quality of the conclusions:** The key strategic questions should be clearly and succinctly addressed within the conclusions section. It is expected that the conclusions will highlight the main strengths and weaknesses of the project, and connect them in a compelling story line. Human rights and gender dimensions of the intervention (e.g. how these dimensions were considered, addressed or impacted on) should be discussed explicitly. Conclusions, as well as lessons and recommendations, should be consistent with the evidence presented in the main body of the report.	Final report: All areas covered – good use of thematic headings to structure discussion.	5
ii) Quality and utility of the lessons: Both positive and negative lessons are expected and duplication with recommendations should be avoided. Based on explicit evaluation findings, lessons should be rooted in real project experiences or derived from problems encountered and mistakes made that should be avoided in the future. Lessons must have the potential for wider application and use and should briefly describe the context from which they are derived and those contexts in which they may be useful.	Final report: Relevant lessons	5
iii) Quality and utility of the recommendations: To what extent are the recommendations proposals for specific action to be taken by identified people/position-holders to resolve concrete problems affecting the project or the sustainability of its results? They should be feasible to implement within the timeframe and resources available (including local capacities) and specific in terms of who would do what and when. At least one recommendation relating to strengthening the human rights and gender dimensions of UN Environment interventions, should be given. Recommendations should represent a measurable performance target in order that the Evaluation Office can monitor and assess compliance with the recommendations.	Final report: Recommendations do not appear to be entirely owned by project team.	5
VII. Report Structure and Presentation Quality		

[50] In some cases 'project management and supervision' will refer to the supervision and guidance provided by UN Environment to implementing partners and national governments while in others, specifically for GEF funded projects, it will refer to the project management performance of the executing agency and the technical backstopping provided by UN Environment.

i) **Structure and completeness of the report:** To what extent does the report follow the Evaluation Office guidelines? Are all requested Annexes included and complete?	Final report: Structure followed, sections complete	5
ii) **Quality of writing and formatting:** Consider whether the report is well written (clear English language and grammar) with language that is adequate in quality and tone for an official document? Do visual aids, such as maps and graphs convey key information? Does the report follow Evaluation Office formatting guidelines?	Final report: The more flamboyant and, potentially, inflammatory, phrases edited out.	4
OVERALL REPORT QUALITY RATING		**4.8**

A number rating 1-6 is used for each criterion: Highly Satisfactory = 6, Satisfactory = 5, Moderately Satisfactory = 4, Moderately Unsatisfactory = 3, Unsatisfactory = 2, Highly Unsatisfactory = 1. The overall quality of the evaluation report is calculated by taking the mean score of all rated quality criteria.

At the end of the evaluation, compliance of the evaluation process against the agreed standard procedures is assessed, based on the table below. *All questions with negative compliance must be explained further in the table below.*

Evaluation Process Quality Criteria	Compliance	
	Yes	No
Independence:		
1. Were the Terms of Reference drafted and finalised by the Evaluation Office?	Y	
2. Were possible conflicts of interest of proposed Evaluation Consultant(s) appraised and addressed in the final selection?	Y	
3. Was the final selection of the Evaluation Consultant(s) made by the Evaluation Office?	Y	
4. Was the evaluator contracted directly by the Evaluation Office?	Y	
5. Was the Evaluation Consultant given direct access to identified external stakeholders in order to adequately present and discuss the findings, as appropriate?	Y	
6. Did the Evaluation Consultant raise any concerns about being unable to work freely and without interference or undue pressure from project staff or the Evaluation Office?		N
7. If Yes to Q6: Were these concerns resolved to the mutual satisfaction of both the Evaluation Consultant and the Evaluation Manager?		
Financial Management:		
8. Was the evaluation budget approved at project design available for the evaluation?	Y	
9. Was the final evaluation budget agreed and approved by the Evaluation Office?	Y	
10. Were the agreed evaluation funds readily available to support the payment of the evaluation contract throughout the payment process?	Y	
Timeliness:		
11. If a Terminal Evaluation: Was the evaluation initiated within the period of six months before or after project operational completion? Or, if a Mid Term Evaluation: Was the evaluation initiated within a six-month period prior to the project's mid-point?		N
12. Were all deadlines set in the Terms of Reference respected, as far as unforeseen circumstances allowed?	Y	
13. Was the inception report delivered and reviewed/approved prior to commencing any travel?	Y	
Project's engagement and support:		
14. Did the project team, Sub-Programme Coordinator and identified project stakeholders provide comments on the evaluation Terms of Reference?	Y	
15. Did the project make available all required/requested documents?	Y	
16. Did the project make all financial information (and audit reports if applicable) available in a timely manner and to an acceptable level of completeness?	Y	
17. Was adequate support provided by the project to the evaluator(s) in planning and conducting evaluation missions?	Y	
18. Was close communication between the Evaluation Consultant, Evaluation Office and project team maintained throughout the evaluation?	Y	
19. Were evaluation findings, lessons and recommendations adequately discussed with the project team for ownership to be established?		N
20. Did the project team, Sub-Programme Coordinator and any identified project stakeholders provide comments on the draft evaluation report?	Y	
Quality assurance:		
21. Were the evaluation Terms of Reference, including the key evaluation questions, peer-reviewed?	Y	
22. Was the TOC in the inception report peer-reviewed?	Y	
23. Was the quality of the draft/cleared report checked by the Evaluation Manager and Peer Reviewer prior to dissemination to stakeholders for comments?	Y	
24. Did the Evaluation Office complete an assessment of the quality of both the draft and final reports?	Y	
Transparency:		
25. Was the draft evaluation report sent directly by the Evaluation Consultant to the Evaluation Office?	Y Y	
26. Did the Evaluation Manager disseminate (or authorize dissemination) of the cleared draft report to the project team, Sub-Programme Coordinator and other key internal personnel (including the Reference Group where appropriate) to solicit formal comments?		
27. Did the Evaluation Manager disseminate (or authorize dissemination) appropriate drafts of the report to identified external stakeholders, including key partners and funders, to solicit formal comments?	Y	
28. Were all stakeholder comments to the draft evaluation report sent directly to the	Y	

Evaluation Office		
29. Did the Evaluation Consultant(s) respond adequately to all factual corrections and comments?	**Y**	
30. Did the Evaluation Office share substantive comments and Evaluation Consultant responses with those who commented, as appropriate?	**Y**	

Provide comments / explanations / mitigating circumstances below for any non-compliant process issues.

Process Criterion Number	**Evaluation Office Comments**
11	Although the evaluation was launched as a Terminal Evaluation no more than six months before the intended end date of the project, as the project was extended by a further year (from December 2017 to December 2018) the evaluation report can no longer stand as a terminal assessment. The project will be asked to submit their Project Completion Report and/or the final report to the donor to meet its terminal evaluation requirements.
19	It was challenging to reach a consensus on the findings of the evaluation, which is partly due to its early (and therefore the project's performance was still evolving) nature. Without strong agreement over the findings of the evaluation process, it was difficult to build strong ownership over the recommendations.

G. Evaluation Team CVs

<u>Arthur Dennis Long, Sc.D., P.E.</u>

1. Dr Long is a licensed Professional Civil Engineer with a doctorate in Public Health. He has worked in the development sector for 35 years with a career in the private sector, academic sector, for bilateral aid agencies, and multilateral development banks (World Bank, International Finance Corporation, and European Bank for Reconstruction and Development). In 2000 he joined the IFC Evaluation Department, then in 2002 shifted to the EBRD Evaluation Department, retiring in 2014. In both units he served as the first senior environmental evaluation officer, and as such helped define the role and the task. He has conducted a series of external evaluations, including as team leader, an evaluation of UNEP FI.

<u>Albert Stocker</u>

2. Albert Stocker graduated in 1973 with a Masters in Economics from the University of Zurich, Switzerland, and has 44 years of international project experience. Since 2010 he has worked as an independent consultant based in Zollikon, Switzerland, with a special focus on project monitoring during implementation, and evaluation of project outcomes after completion and relevant feedbacks to project sponsors. This activity included short-term consultancies for KfW, EBRD, and ADB.

3. Previously, he was based in London (2001-2009) and held the position Senior Evaluation Manager at European Bank (EBRD) with a special focus on private sector investment projects in the oil and gas sectors, mining, electricity generation and telecoms. He also covered privatisation projects e.g. in the electricity distribution sector, as well as hotel projects and agribusiness sector investments.

4. HIs work experience before included various assignments in the private sector with responsibilities for international project finance teams. During his work for Swiss Bank Corporation (1986-1994) he held the position of Managing Director Project Finance and was responsible for the financing of the first privately owned gas-fired power plant in the UK. His Zurich based team participated in projects with total investment costs of over USD 25 billion in the sectors: power, infrastructure and industrial activities. The total underwriting commitment was over USD 2 billion, of which amount approximately half was sold down during syndication.

5. His initial assignments included project preparation work related to international hydropower projects as a junior team member in a Swiss consulting engineers firm (Motor-Columbus, Baden) and subsequently starting as a Young Professional in the World Bank (IBRD), Washington DC, with assignments in Bangladesh and Uruguay. Subsequently as project economist active as a team member in the preparation of a wide range of education and vocational training projects located primarily in South and Central America.

H. Terms of Reference

Terminal Evaluation of the UN Environment project
"Green Climate Fund (GCF) Readiness"

Section 1: PROJECT BACKGROUND AND OVERVIEW

1. Project General Information

Table 1. Project summary

UN Environment PIMS ID:	1713			
Sub-programme:	Climate Change	**Expected Accomplishment(s):**	EA (a) and (b)	
UN Environment approval date:	May 2014 *(ProDoc)*	**Programme of Work Output(s):**	POW 2014 -15: **EA (a): Adaptation Output 5:** Support is provided to countries to improve access to public and private global, regional and national adaptation finance, strengthen readiness for deploying finance and apply innovative finance mechanisms **EA (b): Mitigation Output 4:** Technical support is provided to countries and partners to plan and implement sectoral initiatives and to make renewable energy and energy efficiency projects affordable and replicable.	
***Expected* start date:**	March 2014 *(ProDoc)*	**Actual start date:**	Dec 2013 *(Interim Report to BMU)*	
***Planned* completion date:**	March 2017 *(ProDoc)*	**Actual completion date:**	*Expected:* Dec 2017 *(PM email)*	
***Planned* project budget at approval:**	USD 20.3m	**Actual total expenditures reported as of [date]:**	USD 7,858,209.9 (PIMS)	
***Planned* Environment Fund allocation:**	0	**Actual Environment Fund expenditures reported as of [date]:**	0	
***Planned* Extra-Budgetary Financing:**	USD 20.3m (15MEUR, BMU)	**Secured Extra-Budgetary Financing:**	USD 13,148,391.90 (PIMS) (15MEUR, BMU)	
		Actual Extra-Budgetary Financing expenditures reported as of [date]:	?	
First disbursement:	?	**Date of financial closure:**	Not applicable	
No. of revisions:	1	**Date of last revision:**	Oct 2016	
No. of Steering Committee meetings:	Annual (6) *2014/15 (4)* *March 2016 (1)* *March 2017 (1)*	**Date of last/next Steering Committee meeting:**	*Last:* March 2017	*Next:* To be determined

Mid-term Review/ Evaluation *(planned date):*	Sept 2015	**Mid-term Review/ Evaluation (actual date):**	Agreed with donor to forego MT in favour of early TE.
Terminal Evaluation *(planned date):*	June 2017	**Terminal Evaluation (actual date):**	April 2017
Coverage - Country(ies):	Benin Colombia El Salvador Fiji Ghana Kenya Nepal Philippines Uzbekistan	**Coverage - Region(s):**	*Global:* Africa Asia Pacific Latin America and the Caribbean
Dates of previous project phases:	Not applicable	**Status of future project phases:**	Results of this TE to inform design of possible subsequent phase.

Project Rationale

The Green Climate Fund

The Green Climate Fund (GCF) was established by 194 governments in 2010[51] with the aim of limiting or reducing greenhouse gas (GHG) emissions in developing countries, and to help vulnerable societies adapt to unavoidable impacts of climate change. There is a recognised urgency and seriousness behind this funding mechanism as the current trajectory of GHG emissions rates is predicted to cause global temperatures to increase by 4°C by the end of this century[52], against a target of keeping atmospheric temperature increase to below 2°C.

Established by a decision of the Conference of Parties (COP) to the UN Framework Convention on Climate Change (UNFCCC), the GCF is accountable to the UN and is guided by the principles and provisions of the UNFCCC. It is governed by a Board of 24 members, comprising an equal number of members from developing and developed countries. The Board has full responsibility for funding decisions and receives guidance from the COP. The Fund established a fully independent Secretariat, whose staff execute the day-to-day operations of the GCF from the Headquarters in Korea and which is accountable to the Board. The structure of the Secretariat is still expected to evolve over time[53].The World Bank is the interim trustee which will manage the financial assets of the Fund until a permanent trustee is appointed, potentially in 2017.

The GCF is a stand-alone multilateral financing entity whose sole mandate is to serve the Convention and it aims to deliver equal amounts of funding to mitigation and adaptation. The Fund is expected to become the main global fund for financing climate change mitigation and adaptation measures in developing countries in the coming years and, by 2014, had mobilized over USD 10 billion in initial resources.

The GCF mission is to *'expand collective human action to respond to climate change by investing in low-emission and climate-resilient development'* and it aims to support a paradigm shift in the global response to climate change. The Fund pays particular attention to the needs of societies that are highly vulnerable to the effects of climate change, in particular Least Developed Countries (LDCs), Small Island Developing States (SIDS), and African States. The GCF's governing instrument makes specific reference to the need to assist developing countries in developing the capacities needed for them to have direct access in applying to the funding mechanism. In order to be effective, national mechanisms for receiving, allocating and disbursing international climate finance, including grants from the GCF, need to be well aligned with the country's planning, budgeting, programming and monitoring procedures and systems. The GCF also recognizes the need to engage the private sector on climate finance issues.

Direct access to the GCF application process is supported by an online platform which allows access to National Designated Authorities (NDA)/Focal Points, Accredited Entities (AE) and those institutions applying for accreditation.

[51] GCF established in 2010 by the United Nations at the Conference of Parties (COP 16) in Cancun, Mexico.
[52] Prediction by IPCC on the GCF website (www.greenclimate.fund)
[53] GCF website (www.greenclimate.fund)

Key features of the GCF include:

- Initial resource mobilization raised more than USD 10 billion and fund raising is ongoing.
- Commitment to aim for 50:50 balance between mitigation and adaptation investments over time.
- At least 50% of adaptation funding goes to the most vulnerable countries, including LDCs, SIDS, and African States.
- Direct private sector engagement in transformational climate-sensitive investments through the Private Sector Facility (PSF). Risk-bearing capacity, allowing the Fund to support innovation and leverage and crowd in additional financing.
- Variety of financial instruments available, including grants, concessional loans, subordinated debt, equity, and guarantees, giving flexibility to match project needs.
- Balanced governance structure that ensures consensus-based decisions between 12 developed and 12 developing countries.

UN Environment / UNDP / WRI Green Climate Fund Readiness Programme

The overarching goal of the UN Environment / UNDP / WRI GCF Readiness Programme is to prepare countries to access, manage, deploy and monitor scaled-up financing through the Green Climate Fund.

The GCF Readiness Programme was approved as part of UN Environment's 2014/15 Programme of Work under the Climate Change Sub-programme and was designed to contribute to two Expected Accomplishments: (a): Adaptation Output 5: Support is provided to countries to improve access to public and private global, regional and national adaptation finance, strengthen readiness for deploying finance and apply innovative finance mechanisms and (b): Mitigation Output 4: Technical support is provided to countries and partners to plan and implement sectoral initiatives and to make renewable energy and energy efficiency projects affordable and replicable.

Project Objectives and Components

The objective[54] of the UN Environment/UNDP/WRI Green Climate Fund Readiness Programme is *to support developing countries in strengthening their national capacities to effectively and efficiently plan for, access, manage, deploy and monitor climate financing, in particular through the GCF*. The programme targets two important aspects of the GCF approach: a) direct access to funds and b) private sector engagement, both of which require significant preparatory work in countries before GCF financing will be possible at scale.

The UN Environment / UNDP /WRI GCF Readiness Programme is implemented in partnership between UN Environment, UNDP and the World Resources Institute. The *Frankfurt School - UNEP* Collaborating Centre for Climate & Sustainable Energy Finance and the UN Environment Danish Technical University Partnership execute part of the activities under UN Environment's work plan. It aims to deliver a broad range of results at the country level through combined country programmes. This combined effort is intended to deliver all the individual ingredients of the process of getting countries ready to source, mobilize, manage and deploy international climate finance effectively within the context of national decision-making frameworks. In addition, through a process of documenting lessons learned and preparing best-practice methodologies and tools, the programme aims to demonstrate the sort of country readiness programmes that the GCF Board could subsequently support through its funding operations.

The programme is organised into two major components: a) building and strengthening the institutional capacity of national entities, with a focus on enabling direct access and b) helping countries prepare climate change mitigation and adaptation investment strategies, programmes and projects, including through the active involvement of the private sector.

The results framework for this project is articulated in three different design documents: the Logical Framework (LF, 2014) in the UN Environment Project Document, approved in May 2014; the Theory of Change (TOC, 2014) in the same Project Document and the funding proposal submitted to the International Climate Initiative 2013 (ICI, 2013), which was successful in securing the only grant for this project, Euros 15m from the Bundesministerium für Umwelt (BMU, of the Government of Germany). The results from all three sources are presented in the table below. **It is noted that the reconstructed Theory of Change for this evaluation will be based on the results framework agreed with the BMU (ICI proposal, also called the UN Environment/UNDP/WRI GCF Readiness Programme).**

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[54] Unless otherwise stated, the results framework (objective, outcome, outputs etc) are taken from the Logical Framework in the UN Environment Project Document, approved in May 2014.

Table 1: Documented Results Frameworks

SOURCE	**ICI, 2013 (funding proposal)** *Submitted to, and funded by, BMU. UN Environment/UNDP/WRI GCF Readiness Programme*	**LF, 2014 and Project Document, from pg 16** *UN Environment GCF Readiness Programme*	**TOC, 2014** *(Project Document, UN Environment GCF Readiness Programme)* *Note: The Evaluation Office of UN Environment does not include Activities in the Theory of Change used for the evaluation.*
Long Term Impact:			The ability of the countries to move towards climate-resilient and low emission strategies for sustainable development and human well-being is strengthened.
Objective:	The overarching goal of the GCF Readiness Support Programme is to prepare countries to access, manage, deploy and monitor scaled-up financing through the Green Climate Fund.	To support developing countries in strengthening their national capacities to effectively and efficiently plan for, access, manage, deploy and monitor climate financing in particular through the GCF once it is fully operational. ProDoc pg 19.	
Outcomes:	a) institutional capacity of national entities is built and strengthened, with a focus on enabling direct access to climate finance.	Increased capacity of participating countries to develop climate projects and to access finance for climate priorities including through the engagement of the private sector.	National capacities of participating countries are strengthened to effectively and efficiently plan for, access, manage, deploy and monitor climate financing, in particular through the GCF once it is operational.
	b) climate change mitigation and adaptation investment strategies, programmes and projects (including development of pipeline for GCF funding), including through the active involvement of the private sector, are developed.		
Outputs:	*The 10 modules listed as 'Activities' in the LF, 2014 and Project Document, from pg 16 column.*	A) Development of tools and methods for monitoring climate finance.	Institutional capacity of countries is increased with a focus on enabling direct access and on mobilising and managing climate finance.

	Each module has a 'result' and an 'output'.		
		B) Training to build up skills required for accessing and monitoring climate finance.	A pipeline of bankable projects is prepared.
		C) Technical Assistance to government focal points and relevant private sector actors to develop new climate proposals, new financial products and services and to support NIE/NDA accreditation process.	
Activities:		<u>Work package A:</u> Building/strengthening the institutional capacities of national entities, with a focus on enabling direct access.	Strengthen the capacity of national climate finance institutions
		Module 1: Map the financial structure and capacities of national systems for managing adaptation and mitigation finance across various institutions and levels.	Develop financial plans detailing financing needs and allocation of funds
		Module 2: Develop national and / or sectoral financial planning capacities to understand, allocate and communicate financial needs related to climate change.	Assist countries in identifying, establishing and strengthening implementing entities and national designated entities
		Module 3: Assist countries in identifying, establishing and strengthening implementing entities (IE) and national designated authorities (NDA) in order to access climate finance.	Develop tools and methods for climate finance monitoring and reporting
		Module 4: Develop systems including tools and methods for national and sub-national monitoring and reporting on climate finance including its results	Establish links between national readiness activities and ongoing global processes
		Module 5: Establish communication linkages between national and regional readiness activities and ongoing global processes	Hold national climate investment consultations

		Work package B: Preparation of country programmes and capacity developed to design and deliver a project pipeline for GCF support.	Develop guidelines and tools for assessments, identification and formulation of proposals for funding.
		Module 6: Facilitate national level climate investment consultations	Support the preparation of climate project pipeline
		Module 7: Prepare guidelines and tools for climate related assessments and for identification and formulation of proposals for funding	Provide training to local financial institutions to build up skills required for climate related investment activity
		Module 8: Develop capacity of countries to design and deliver a pipeline of climate projects and provide them with targeted technical and financial support in order to make them bankable.	Provide support to local financial institutions to develop new financial products and services
		Module 9: Train local financial institutions to build up the skills required for climate related investment activity	
		Module 10: Provide technical assistance and funding support to local financial institutions to develop new financial products and services for prioritized climate sectors.	

Figure 1: Theory of Change at Design

(Source: UN Environment, GCF Readiness Programme Project Document)

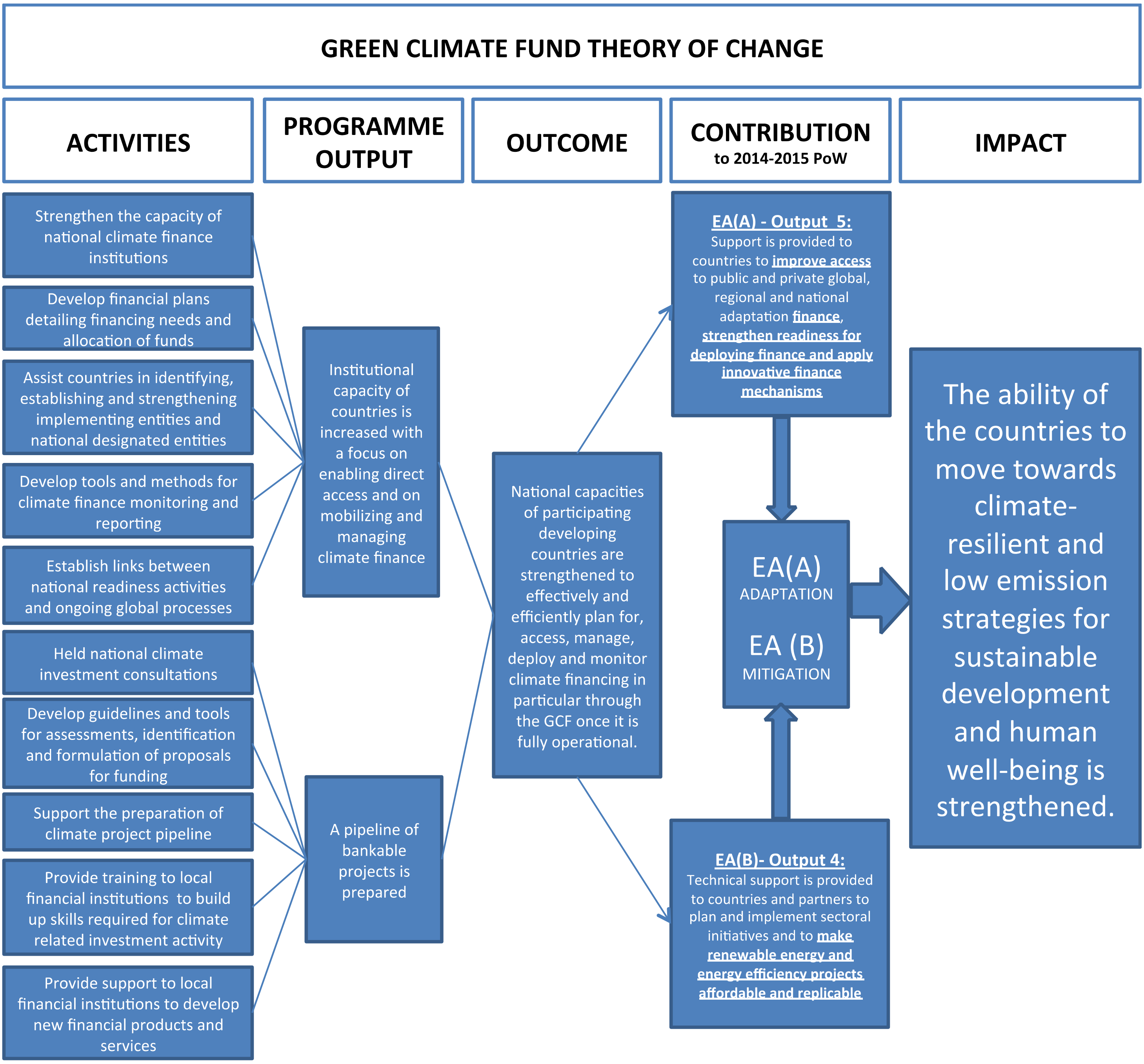


Figure 1 Logic of intervention

(Source: UN Environment, GCF Readiness Programme Project Document)

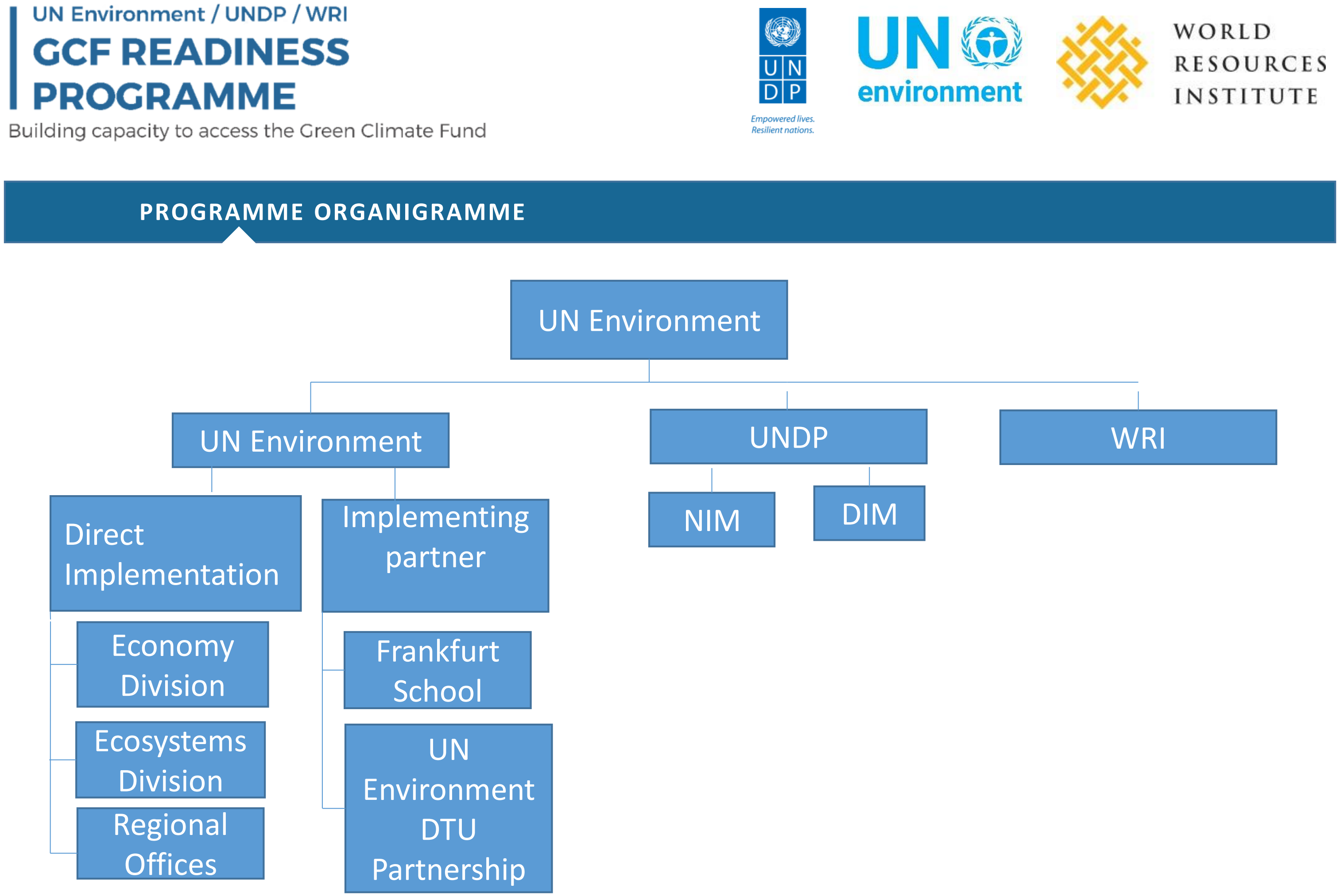
Executing Arrangements

UN Environment is responsible for the overall coordination of the programme. UN Environment, United Nations Development Programme (UNDP) and the World Resources Institute (WRI) are jointly responsible for the successful implementation of the programme. UN Environment works in partnership with two additional institutions, the Frankfurt School (FS) and the Technical University of Denmark (DTU). See figure 2, below). In order to facilitate the coordination of the project, steering structures were established at three different levels (see Figure 3, below):

- Steering Committee (to facilitate coordination between BMU, the ICI Programme Bureau, the three partners and any additional funding partners)
- Programme Coordination Committee comprising representatives from the three partners
- National Coordination Committee, including the National Coordinator

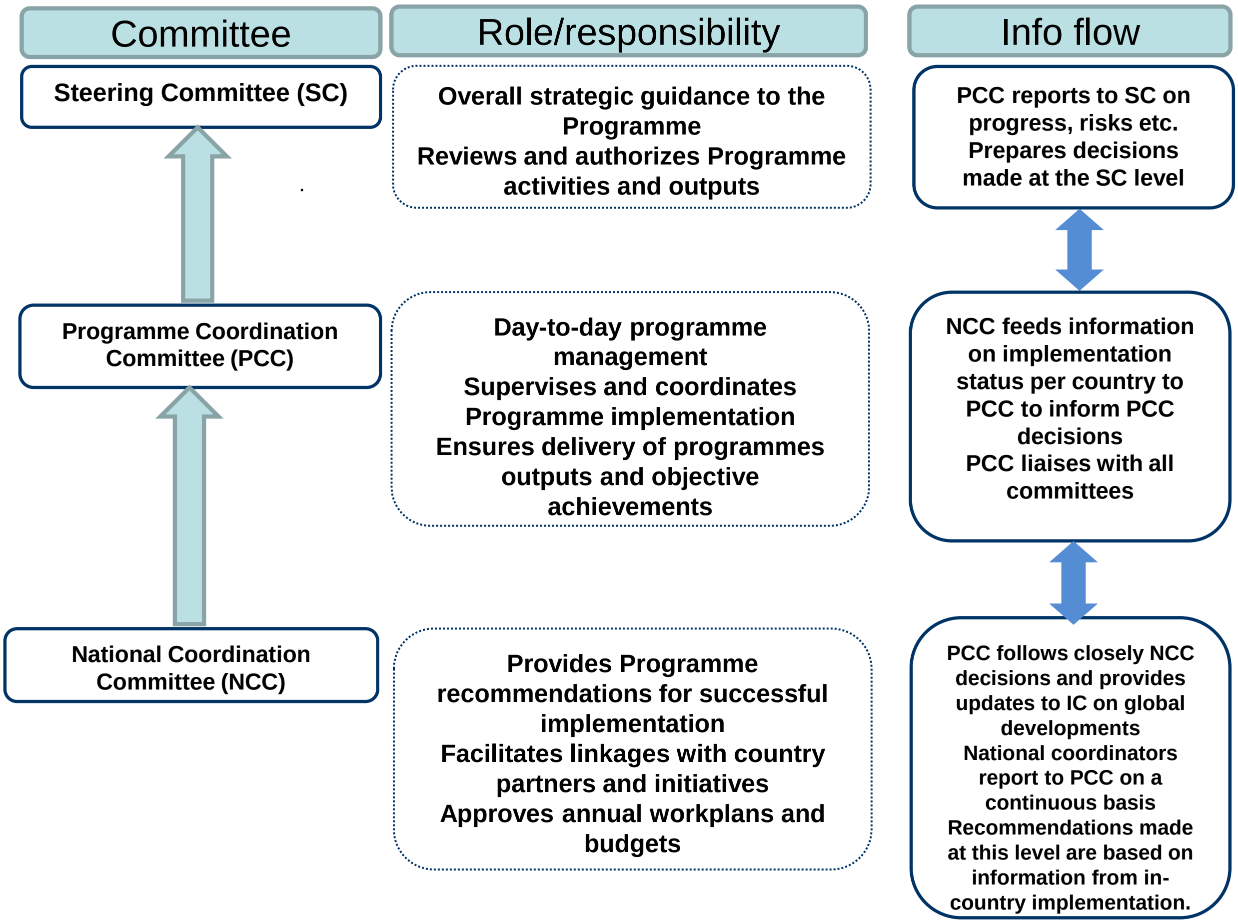
The GCF Readiness Programme is currently being implemented in nine countries (*Initial group:* Benin, Colombia, El Salvador, Fiji, Ghana. *Second group:* Kenya, Nepal, Philippines and Uzbekistan), which were selected against the criteria listed below:

- vulnerability to climate change
- mitigation potential, including in the area of REDD+
- enabling frameworks in place
- minimum of institutional capacities and good potential of their development
- support needed due to limited financial capacities
- willingness of country to participate
- ease of implementation based on the partners' previous and current engagement
- balanced regional distribution and
- representation of LDCs and SIDs



(Source: UN Environment, UNDP, WRI GCF Readiness Programme Funding Proposal to ICI)

GCF readiness programme steering structure



(Source: UN Environment, GCF Readiness Programme Project Document)

Project Cost and Financing

A UN Environment Trust Fund was established to support programme activities related to Green Climate Fund (GCF) readiness. The trust fund enables UN Environment to receive and administer voluntary contributions in support of the GCF Readiness activities. The Trust Fund was established for an initial period of three years in accordance with the rules and regulations of the United Nations, rules and procedures applicable to UN Environment, and all other relevant policies and procedures promulgated by the Secretary-General of the United Nations.

To-date the Trust Fund has received one grant of Euros 15m from the German funding agency, BMU. UN Environment has issued contracts to its partners with the following values:

UNDP	USD 9,097,565
World Resources Institute	USD 1,556,891
Frankfurt School	USD 1,114,489
Technical University of Denmark	USD 104,024

Disbursement details, provided by the Fund Management Officer, as at 30th March 2017, are as follows.

Ref No.	Contractor	PRC-appr. Project/ Initiative	SB	Total Cost	Actual Payment	Balance	Expenditure Over All Years
15-097	UNDP	GCF	SB-000934.01.03.02	9,097,565.00	6,513,872.00	2,583,693.00	1,228,193.01
14-045	FS CC	GCF	SB-000934.01.03.04	1,114,489.00	621,332.00	493,157.00	706,173.18
14-035	DTU	GCF	SB-000934.01.03.03	104,024.00	90,000.00	14,024.00	78,177.84
14-021	WRI	GCF	SB-000934.01.03.01	1,556,891.00	1,487,014.00	69,877.00	1,556,889.00
14-007.2	FS CC	GCF		92,333.000	92,332.50	0.50	93,029.50

Implementation Issues

Three factors affecting implementation have, according to internal reporting by the project team, been experienced:

- The implementation timeline was over-ambitious given the complexity and innovative nature of the project as a pilot initiative for GCF Readiness and led to the request for a no cost extension of one year.
- There are a limited number of climate finance-experienced staff in many of the partner countries' institutions and, at the same time, these staff may be working on pre-existing national and international commitments. This has contributed to delays in mobilising and progressing the project at a country level.
- The Green Climate Fund is a relatively new body whose rules and policies are still being developed, which has meant the project is being implemented within a changing policy framework. The project reports having mitigated this risk by closely following developments related to the GCF rules and policy frameworks, by staying engaged with the GCF Secretariat and by adapting the support accordingly where necessary.

A number of lessons are documented within the project reports/presentations:

- Tailored, responsive-to-country-needs and comprehensive approach to readiness is desirable
- Shifting political dynamics at the national level due to role of the NDA, often Ministries of Finance are to be expected
- Direct access funding routes place stakeholders in a new mind set and can contribute to the blurring of roles of NDAs, NIEs and project developers

- Only limited numbers of climate finance staff in national institutions, and limited numbers of GCF experts worldwide, exist
- Continued and iterative capacity building is key to mitigate institutional and personnel changes

Section 2. OBJECTIVE AND SCOPE OF THE EVALUATION

Key Evaluation Principles

Evaluation findings and judgements should be based on **sound evidence and analysis**, clearly documented in the evaluation report. Information will be triangulated (i.e. verified from different sources) as far as possible, and when verification is not possible, the single source will be mentioned (whilst anonymity is still protected). Analysis leading to evaluative judgements should always be clearly spelled out.

The "Why?" Question. As this is a terminal evaluation which could inform the design and lessons of other readiness initiatives, particular attention should be given to learning from the experience. Therefore, the "*Why?*" question should be at the front of the consultants' minds all through the evaluation exercise and is supported by the use of a theory of change approach. This means that the consultants need to go beyond the assessment of "*what*" the project performance was, and make a serious effort to provide a deeper understanding of "*why*" the performance was as it was. This should provide the basis for the lessons that can be drawn from the project.

Baselines and counterfactuals. In attempting to attribute any outcomes and impacts to the project intervention, the evaluators should consider the difference between *what has happened with, and what would have happened without*[55]*, the project*. This implies that there should be consideration of the baseline conditions, trends and counterfactuals in relation to the intended project outcomes and impacts. It also means that there should be plausible evidence to attribute such outcomes and impacts to the actions of the project. Sometimes, adequate information on baseline conditions, trends or counterfactuals is lacking. In such cases this should be clearly highlighted by the evaluators, along with any simplifying assumptions that were taken to enable the evaluator to make informed judgements about project performance.

Communicating evaluation results. A key aim of the evaluation is to encourage reflection and learning by UN Environment, UNDP and WRI staff and key project stakeholders. The consultant should consider how reflection and learning can be promoted, both through the evaluation process and in the communication of evaluation findings and key lessons. Clear and concise writing is required on all evaluation deliverables. Draft and final versions of the main evaluation report will be shared with key stakeholders by the Evaluation Office. There may, however, be several intended audiences, each with different interests and needs regarding the report. The Evaluation Manager will plan with the consultant(s) which audiences to target and the easiest and clearest way to communicate the key evaluation findings and lessons to them. This may include some or all of the following; a webinar, conference calls with relevant stakeholders, the preparation of an evaluation brief or interactive presentation.

Objective of the Evaluation

In line with the UN Environment Evaluation Policy[56] and the UN Environment Programme Manual[57], the Terminal Evaluation (TE) is undertaken at completion of the project to assess project performance (in terms of relevance, effectiveness and efficiency), and determine

[55] The PM notes that the GCF was new for all countries and all countries that are not participating in this project serve as examples of alternative responses. GiZ was concurrently managing a Climate Finance Readiness programme in 11 places (Bangladesh, Cambodia, Caribbean, Morocco, Namibia, Peru, Zambia, South Africa, Takikistan, Uganda and Vietnam). AfDB is also working on a readiness programme.

[56] http://www.unep.org/eou/StandardsPolicyandPractices/UNEPEvaluationPolicy/tabid/3050/language/en-US/Default.aspx

[57] http://www.unep.org/QAS/Documents/UNEP_Programme_Manual_May_2013.pdf . *This manual is under revision.*

outcomes and impacts (actual and potential) stemming from the project, including their sustainability. The evaluation has two primary purposes: (i) to provide evidence of results to meet accountability requirements, and (ii) to promote operational improvement, learning and knowledge sharing through results and lessons learned among UN Environment and its project partners. **Therefore, the evaluation will identify lessons of operational relevance for future project formulation and implementation.**

Key Strategic Questions

In addition to the evaluation criteria outlined in Section 10 below, the evaluation will address the **strategic questions** listed below. These are questions of interest to UN Environment, UNDP and WRI and to which the project is advised to pay particular attention:

a) **Adaptive Management:** To what extent, and in what ways, has the project responded to the emerging lessons (see para 19) during implementation or taken them into consideration in its future planning, particularly in relation to the challenge between the project's central capacity development objective and the limited availability of technical capacity in climate financing/GCF expertise (especially at country level).

b) **Project Complementarity:** What have been the consequences to the project of the introduction of GCF's own readiness programme (especially in those of the 9 supported countries that have also been involved in GCF's own readiness programme)?

a) **Country Selection:** To what extent did country ownership (or lack thereof) of the project's work plan affect the project's start and overall implementation? How appropriate is the selection of the initial nine countries to act as a strategic and effective group of demonstration countries that can support the project's piloting objective? In addition, to what extent has UN Environment's, UNDP's and WRI's previous experience in institutional strengthening/capacity development (especially within the same nine countries) been taken into account in the selection of pilot countries and the project's capacity development objective? Finally, were the countries selected appropriately for a) their need for adaptation support or their focus on adaptation efforts and/or b) their potential contribution through mitigation actions to reducing global emissions?

b) **Replication and Scale:** To what extent, and in what ways, is the project demonstrating the capacity to make a substantive contribution to the large scale aspirations of the Green Climate Fund? In relation to this, how robust are the projects' mechanisms for replicating this pilot and scaling up a refined model?

Evaluation Criteria

All evaluation criteria will be rated on a six-point scale. Sections A-I below, outline the scope of the criteria and a link to a table for recording the ratings is provided in Annex 1. A weightings table will be provided in excel format (link provided in Annex 1) to support the determination of an overall project rating. The set of evaluation criteria are grouped in nine categories: (A) Strategic Relevance; (B) Quality of Project Design; (C) Nature of External Context; (D) Effectiveness, which comprises assessments of the achievement of outputs, achievement of outcomes and likelihood of impact; (E) Financial Management; (F) Efficiency; (G) Monitoring and Reporting; (H) Sustainability; and (I) Factors Affecting Project Performance. The evaluation consultants can propose other evaluation criteria as deemed appropriate.

Strategic Relevance

The evaluation will assess, in line with the OECD/DAC definition of relevance, '*the extent to which the activity is suited to the priorities and policies of the target group, recipient and donor*'. The evaluation will include an assessment of the project's relevance in relation to UN Environment's mandate and its alignment with UN Environment's policies and strategies at the time of project approval. Under strategic relevance an assessment of the complementarity of the project with other interventions addressing the needs of the same target groups will be made. This criterion comprises four elements:

v. *Alignment to the UN Environment Medium Term Strategy[58] (MTS) and Programme of Work (POW)*

The evaluation should assess the project's alignment with the MTS and POW under which the project was approved and include reflections on the scale and scope of any contributions made to the planned results reflected in the relevant MTS and POW.

vi. *Alignment to UN Environment /Donor Strategic Priorities*

This project should be aligned with UN Environment, UNDP and WRI strategic priorities, including the following:

a)UNDP Strategic Plan:
Outcome 1: Growth and development are inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for the poo and excluded.
Output 1.4: Scaled up action on climate change adaptation and mitigation across sectors which is funded and implemented.

b)Relevant UN Environment strategic priorities include: Excepted Accomplishments (a) and (b) under the Program of Work of UN Environment for 2014-2017:

> *Expected Accomplishment (a)* - Adaptation: Ecosystem-based and supporting adaptation approaches are implemented and integrated into key sectoral and national development strategies to reduce vulnerability and strengthen resilience to climate change impacts.
> Output 5: Support provided to countries to improve access to public and private global, regional and national adaptation finance, strengthen readiness for deploying finance and apply innovative finance mechanisms
>
> *Expected Accomplishment (b)* – Mitigation: Energy efficiency is improved and the use of renewable energy is increased in partner countries to help reduce greenhouse gas emissions and other pollutants as part of their low emission development pathways
> Output 4: Technical support provided to countries and partners to set up and implement sectoral initiatives and to make renewable energy and energy efficiency technologies bankable and replicable

In addition UN Environment intends projects to be aligned with the Bali Strategic Plan for Technology Support and Capacity Building59 (BSP) and South-South Cooperation (S-SC). The BSP relates to the capacity of governments to: comply with international agreements and obligations at the national level; promote, facilitate and finance environmentally sound technologies and to strengthen frameworks for developing coherent international environmental policies. S-SC is regarded as the exchange of resources, technology and knowledge between developing countries.

vii. *Relevance to Regional, Sub-regional and National Environmental Priorities*

The evaluation will assess the extent to which the intervention is suited, or responding to, the stated environmental concerns and needs of the countries, sub-regions or regions where it is being implemented. Examples may include: national or sub-national development plans, poverty reduction strategies or Nationally Appropriate Mitigation Action (NAMA) plans, Nationally Determined Contributions, National Adaptation Plans or regional agreements etc.

viii. *Complementarity with Existing Interventions*

An assessment will be made of how well the project, either at design stage or during the project mobilization, took account of ongoing and planned initiatives (under the same sub-programme, other UN Environment sub-programmes, or being implemented by other agencies) that address

[58] UN Environment's Medium Term Strategy (MTS) is a document that guides UN Environment's programme planning over a four-year period. It identifies UN Environment's thematic priorities, known as Sub-programmes (SP), and sets out the desired outcomes, known as Expected Accomplishments (EAs), of the Sub-programmes.
[59] http://www.unep.org/GC/GC23/documents/GC23-6-add-1.pdf

similar needs of the same target groups . The evaluation will consider if the project team, in collaboration with Regional Offices and Sub-Programme Coordinators, made efforts to ensure their own intervention was complementary to other interventions, optimized any synergies and avoided duplication of effort. Examples may include UN Development Assistance Frameworks or One UN programming. Linkages with other interventions should be described and instances where UN Environment's comparative advantage has been particularly well applied should be highlighted.

Factors affecting this criterion may include: stakeholders' participation and cooperation*;* responsiveness to human rights and gender equity and country ownership and driven-ness.

Quality of Project Design

The quality of project design is assessed using an agreed template during the evaluation inception phase, ratings are attributed to identified criteria and an overall Project Design Quality rating is established. This overall Project Design Quality rating is entered in the final evaluation ratings table as item B. In the Main Evaluation Report a summary of the project's strengths and weaknesses at design stage is included.

Factors affecting this criterion may include (at the design stage): stakeholders participation and cooperation and responsiveness to human rights and gender equity, including the extent to which relevant actions are adequately budgeted for.

Nature of External Context

At evaluation inception stage a rating is established for the project's external operating context (considering the prevalence of conflict, natural disasters and political upheaval). This rating is entered in the final evaluation ratings table as item C. Where a project has been rated as facing either an Unfavourable or Highly Unfavourable and unexpected external operating context, the overall rating for Effectiveness may be increased at the discretion of the Evaluation Consultant and Evaluation Manager together. A justification for such an increase must be given.

Effectiveness

The evaluation will assess effectiveness across three dimensions: achievement of outputs, achievement of direct outcomes and likelihood of impact.

i. Achievement of Outputs

The evaluation will assess the project's success in producing the programmed outputs (products and services delivered by the project itself) and achieving milestones as per the project design document (ProDoc). Any *formal* modifications/revisions made during project implementation will be considered part of the project design. Where the project outputs are inappropriately or inaccurately stated in the ProDoc, a table should be provided showing the original formulation and the amended version for transparency. The achievement of outputs will be assessed in terms of both quantity and quality, and the assessment will consider their usefulness and the timeliness of their delivery. The evaluation will briefly explain the reasons behind the success or shortcomings of the project in delivering its programmed outputs and meeting expected quality standards.

Factors affecting this criterion may include: preparation and readiness and quality of project management and supervision[60].

ii. Achievement of Direct Outcomes

[60] In some cases 'project management and supervision' will refer to the supervision and guidance provided by UN Environment to implementing partners and national governments while in others, specifically for GEF funded projects, it will refer to the project management performance of the executing agency and the technical backstopping provided by UN Environment.

The achievement of direct outcomes is assessed as performance against the direct outcomes as defined in the reconstructed[61] Theory of Change. These are the first-level outcomes expected to be achieved as an immediate result of project outputs. As in 1, above, a table can be used where substantive amendments to the formulation of direct outcomes is necessary. The evaluation should report evidence of attribution between UN Environment's intervention and the direct outcomes. In cases of normative work or where several actors are collaborating to achieve common outcomes, evidence of the nature and magnitude of UN Environment's contribution should be included.

Factors affecting this criterion may include: quality of project management and supervision; stakeholders' participation and cooperation; responsiveness to human rights and gender equity and communication and public awareness.

iii. Likelihood of Impact

Based on the articulation of longer term effects in the reconstructed TOC (i.e. from direct outcomes, via intermediate states, to impact), the evaluation will assess the likelihood of the intended, positive impacts becoming a reality. Project objectives or goals should be incorporated in the TOC, possibly as intermediate states or long term impacts. The Evaluation Office's approach to the use of TOC in project evaluations is outlined in a guidance note available on the EOU website, web.unep.org/evaluation and is supported by an excel-based flow chart called, Assessment of the Likelihood of Impact Decision Tree (see Annex 1). Essentially the approach follows a 'likelihood tree' from direct outcomes to impacts, taking account of whether the assumptions and drivers identified in the reconstructed TOC held. Any unintended positive effects should also be identified and their causal linkages to the intended impact described.

The evaluation will also consider the likelihood that the intervention may lead, or contribute to, unintended negative effects. Some of these potential negative effects may have been identified in the project design as risks or as part of the analysis of Environmental, Social and Economic Safeguards.[62]

The evaluation will consider the extent to which the project has played a catalytic role or has promoted scaling up and/or replication[63] as part of its Theory of Change and as factors that are likely to contribute to longer term impact. Ultimately UN Environment and all its partners aim to bring about benefits to the environment and human well-being. Few projects are likely to have impact statements that reflect such long-term or broad-based changes. However, the evaluation will assess the likelihood of the project to make a substantive contribution to the high level changes represented by UN Environment's Expected Accomplishments, the Sustainable Development Goals[64] and/or the high level results prioritised by the funding partner.

Factors affecting this criterion may include: quality of project management and supervision, including adaptive management; stakeholders participation and cooperation; responsiveness to human rights and gender equity; country ownership and driven-ness and communication and public awareness.

Financial Management

[61] UN Environment staff are currently required to submit a Theory of Change with all submitted project designs. The level of 'reconstruction' needed during an evaluation will depend on the quality of this initial TOC, the time that has lapsed between project design and implementation (which may be related to securing and disbursing funds) and the level of any changes made to the project design. In the case of projects pre-dating 2013 the intervention logic is often represented in a logical framework and a TOC will need to be constructed in the inception stage of the evaluation.

[62] Further information on Environmental, Social and Economic Safeguards (ESES) can be found at http://www.unep.org/about/eses/

[63] *Scaling up* refers to approaches being adopted on a much larger scale, but in a very similar context. Scaling up is often the longer term objective of pilot initiatives. *Replication* refers to approaches being repeated or lessons being explicitly applied in new/different contexts e.g. other geographic areas, different target group etc. Effective replication typically requires some form of revision or adaptation to the new context. It is possible to replicate at either the same or a different scale.

[64] A list of relevant SDGs is available on the EO website www.unep.org/evaluation

Financial management will be assessed under three broad themes: *completeness* of financial information, *communication* between financial and project management staff and *compliance* with relevant UN financial management standards and procedures. The evaluation will establish the actual spend across the life of the project of funds secured from all donors. This expenditure will be reported, where possible, at output level and will be compared with the approved budget. The evaluation will assess the level of communication between the project manager and the fund management officer as it relates to the effective delivery of the planned project and the needs of a responsive, adaptive management approach. The evaluation will verify the application of proper financial management standards and adherence to UN Environment's financial management policies. Any financial management issues that have affected the timely delivery of the project or the quality of its performance will be highlighted.

Factors affecting this criterion may include: preparation and readiness and quality of project management and supervision.

Efficiency

In keeping with the OECD/DAC definition of efficiency, the evaluation will assess the cost-effectiveness and timeliness of project execution. Focussing on the translation of inputs into outputs, cost-effectiveness is the extent to which an intervention has achieved, or is expected to achieve, its results at the lowest possible cost. Timeliness refers to whether planned activities were delivered according to expected timeframes as well as whether events were sequenced efficiently. The evaluation will also assess to what extent any project extension could have been avoided through stronger project management and identify any negative impacts caused by project delays or extensions. The evaluation will describe any cost or time-saving measures put in place to maximise results within the secured budget and agreed project timeframe and consider whether the project was implemented in the most efficient way compared to alternative interventions or approaches.

The evaluation will give special attention to efforts by the project teams to make use of/build upon pre-existing institutions, agreements and partnerships, data sources, synergies and complementarities with other initiatives, programmes and projects etc. to increase project efficiency. The evaluation will also consider the extent to which the management of the project minimised UN Environment's environmental footprint.

Factors affecting this criterion may include: preparation and readiness (e.g. timeliness); quality of project management and supervision and stakeholders participation and cooperation.

Monitoring and Reporting

The evaluation will assess monitoring and reporting across three sub-categories: monitoring design and budgeting, monitoring implementation and project reporting.

i. Monitoring Design and Budgeting

Each project should be supported by a sound monitoring plan that is designed to track progress against SMART[65] indicators towards the achievement of the projects outputs and direct outcomes, including at a level disaggregated by gender or groups with low representation. The evaluation will assess the quality of the design of the monitoring plan as well as the funds allocated for its implementation. The adequacy of resources for mid-term and terminal evaluation/review should be discussed if applicable.

ii. Monitoring Implementation

The evaluation will assess whether the monitoring system was operational and facilitated the timely tracking of results and progress towards projects objectives throughout the project implementation period. It will also consider how information generated by the monitoring system during project implementation was used to adapt and improve project execution,

[65] SMART refers to indicators that are specific, measurable, assignable, realistic and time-specific.

achievement of outcomes and ensure sustainability. The evaluation should confirm that funds allocated for monitoring were used to support this activity.

iii. Project Reporting

UN Environment has a centralised Project Information Management System (PIMS) in which project managers upload six-monthly status reports against agreed project milestones. This information will be provided to the Evaluation Consultant(s) by the Evaluation Manager. Some projects have additional requirements to report regularly to funding partners, which will be supplied by the project team. The evaluation will assess the extent to which both UN Environment and donor reporting commitments have been fulfilled.

Factors affecting this criterion may include: quality of project management and supervision and responsiveness to human rights and gender equity (e.g. disaggregated indicators and data).

Sustainability

Sustainability is understood as the probability of direct outcomes being maintained and developed after the close of the intervention. The evaluation will identify and assess the key conditions or factors that are likely to undermine or contribute to the persistence of achieved direct outcomes. Some factors of sustainability may be embedded in the project design and implementation approaches while others may be contextual circumstances or conditions that evolve over the life of the intervention. Where applicable an assessment of bio-physical factors that may affect the sustainability of direct outcomes may also be included.

i. Socio-political Sustainability

The evaluation will assess the extent to which social or political factors support the continuation and further development of project direct outcomes. It will consider the level of ownership, interest and commitment among government and other stakeholders to take the project achievements forwards. In particular the evaluation will consider whether individual capacity development efforts are likely to be sustained.

ii. Financial Sustainability

Some direct outcomes, once achieved, do not require further financial inputs, e.g. the adoption of a revised policy. However, in order to derive a benefit from this outcome further management action may still be needed e.g. to undertake actions to enforce the policy. Other direct outcomes may be dependent on a continuous flow of action that needs to be resourced for them to be maintained, e.g. continuation of a new resource management approach. The evaluation will assess the extent to which project outcomes are dependent on future funding for the benefits they bring to be sustained. Secured future funding is only relevant to financial sustainability where the direct outcomes of a project have been extended into a future project phase. The question still remains as to whether the future project outcomes will be financially sustainable.

iii. Institutional Sustainability

The evaluation will assess the extent to which the sustainability of project outcomes is dependent on issues relating to institutional frameworks and governance. It will consider whether institutional achievements such as governance structures and processes, policies, sub-regional agreements, legal and accountability frameworks etc. are robust enough to continue delivering the benefits associated with the project outcomes after project closure.

Factors affecting this criterion may include: stakeholders' participation and cooperation; responsiveness to human rights and gender equity (where interventions are not inclusive, their sustainability may be undermined); communication and public awareness and country ownership and driven-ness.

Factors and Processes Affecting Project Performance

These factors are rated in the ratings table, but are discussed as cross-cutting themes as appropriate under the other evaluation criteria, above.

i. Preparation and Readiness

This criterion focuses on the inception or mobilisation stage of the project. The evaluation will assess whether appropriate measures were taken to either address weaknesses in the project design or respond to changes that took place between project approval, the securing of funds and project mobilisation. In particular the evaluation will consider the nature and quality of engagement with stakeholder groups by the project team, the confirmation of partner capacity and development of partnership agreements as well as initial staffing and financing arrangements. (Project preparation is covered in the template for the assessment of Project Design Quality).

ii. Quality of Project Management and Supervision

In some cases 'project management and supervision' will refer to the supervision and guidance provided by UN Environment to implementing partners and national governments while in others, specifically for GEF funded projects, it will refer to the project management performance of the executing agency and the technical backstopping and supervision provided by UN Environment.

The evaluation will assess the effectiveness of project management from UN Environment, UNDP and WRI, taking into account each executing agency's different modalities, with regard to: providing leadership towards achieving the planned outcomes; managing team structures; maintaining productive partner relationships (including Steering Groups etc.); communication and collaboration with UN Environment, UNDP and WRI colleagues; risk management; use of problem-solving; project adaptation and overall project execution. Evidence of adaptive project management should be highlighted.

iii. Stakeholder Participation and Cooperation

Here the term 'stakeholder' should be considered in a broad sense, encompassing all project partners, duty bearers with a role in delivering project outputs and target users of project outputs and any other collaborating agents external to UN Environment. The assessment will consider the quality and effectiveness of all forms of communication and consultation with stakeholders throughout the project life and the support given to maximise collaboration and coherence between various stakeholders, including sharing plans, pooling resources and exchanging learning and expertise. The inclusion and participation of all differentiated groups, including gender groups, should be considered.

iv. Responsiveness to Human Rights and Gender Equity

The evaluation will ascertain to what extent the project has applied the UN Common Understanding on the human rights based approach (HRBA) and the UN Declaration on the Rights of Indigenous People. Within this human rights context the evaluation will assess to what extent the intervention adheres to UN Environment's Policy and Strategy for Gender Equality and the Environment.

The report should present the extent to which the intervention, following an adequate gender analysis at design stage, has implemented the identified actions and/or applied adaptive management to ensure that Gender Equity and Human Rights are adequately taken into account. In particular, the evaluation will consider to what extent project design (section B), the implementation that underpins effectiveness (section D), and monitoring (section G) have taken into consideration: (i) possible gender inequalities in access to and the control over natural resources; (ii) specific vulnerabilities of women and children to environmental degradation or disasters; (iii) the role of women in mitigating or adapting to environmental changes and engaging in environmental protection and rehabilitation.

v. Country Ownership and Driven-ness

The evaluation will assess the quality and degree of engagement of government / public sector agencies in the project. The evaluation will consider the involvement not only of those directly involved in project execution and those participating in technical or leadership groups, but also those official representatives whose cooperation is needed for change to be embedded in their respective institutions and offices. This factor is concerned with the level of ownership generated by the project over outputs and outcomes and that is necessary for long term impact to be realised. This ownership should adequately represent the needs and interests of all gender and marginalised groups.

vi. Communication and Public Awareness

The evaluation will assess the effectiveness of: a) communication of learning and experience sharing between project partners and interested groups arising from the project during its life and b) public awareness activities that were undertaken during the implementation of the project to influence attitudes or shape behaviour among wider communities and civil society at large. The evaluation should consider whether existing communication channels and networks were used effectively, including meeting the differentiated needs of gender and marginalised groups, and whether any feedback channels were established. Where knowledge sharing platforms have been established under a project the evaluation will comment on the sustainability of the communication channel under either socio-political, institutional or financial sustainability, as appropriate.

Section 3. EVALUATION APPROACH, METHODS AND DELIVERABLES

The Terminal Evaluation will be an in-depth evaluation using a participatory approach whereby key stakeholders are kept informed and consulted throughout the evaluation process. Both quantitative and qualitative evaluation methods will be used as appropriate to determine project achievements against the expected outputs, outcomes and impacts. It is highly recommended that the consultant(s) maintains close communication with the project team and promotes information exchange throughout the evaluation implementation phase in order to increase their (and other stakeholder) ownership of the evaluation findings. Where applicable, the consultant(s) should provide a geo-referenced map that demarcates the area covered by the project and, where possible, provide geo-reference photographs of key intervention sites (e.g. sites of habitat rehabilitation and protection, pollution treatment infrastructure, etc.)

The findings of the evaluation will be based on the following:

(a) A **desk review** of:

Relevant background documentation, inter alia [list];

Project design documents (including minutes of the project design review meeting at approval); Annual Work Plans and Budgets or equivalent, revisions to the project (Project Document Supplement), the logical framework and its budget;

Project reports such as six-monthly progress and financial reports, progress reports from collaborating partners, meeting minutes, relevant correspondence etc.;

Project outputs: [see table above];

Evaluations/reviews of similar projects.

(b) **Interviews** (individual or in group) with:

UN Environment Project Manager (PM); UNDP Project Manager ; WRI Project Manager

Project management team;

UN Environment Fund Management Officer (FMO);

Sub-Programme Coordinator

Project partners, including UNDP, WRI, Frankfurt School and DTU;

All 9 National coordinators and other stakeholders (NDA, NIE, etc.)

Relevant resource persons.

Surveys (if considered appropriate)

Field visits (4 country visits: Colombia, Ghana, Kenya and Nepal)

Other data collection tools (where necessary)

1. Evaluation Deliverables and Review Procedures

The evaluation team will prepare:

- **Inception Report:** (see Annex 1 for links to all templates, tables and guidance notes) containing an assessment of project design quality, a draft reconstructed Theory of Change of the project, project stakeholder analysis, evaluation framework and a tentative evaluation schedule.
- **Preliminary Findings Note:** typically in the form of a powerpoint presentation, the sharing of preliminary findings is intended to support the participation of the project team, act as a means to ensure all information sources have been accessed and provide an opportunity to verify emerging findings. In the case of highly strategic project/portfolio evaluations or evaluations with an Evaluation Reference Group, the preliminary findings may be presented as a word document for review and comment.
- **Draft and Final Evaluation Report:** (see links in Annex 1) containing an executive summary that can act as a stand-alone document; detailed analysis of the evaluation

findings organised by evaluation criteria and supported with evidence; lessons learned and recommendations and an annotated ratings table.

- **Evaluation Bulletin:** a 2-page summary of key evaluation findings for wider dissemination to UNDP and WRI and through the EOU website.

Review of the draft evaluation report. The evaluation team will submit a draft report to the Evaluation Manager and revise the draft in response to their comments and suggestions. Once a draft of adequate quality has been peer-reviewed and accepted, the Evaluation Manager will share the cleared draft report with the Project Managers (UN Environment, UNDP and WRI), who will alert the Evaluation Manager in case the report contains any blatant factual errors. The Evaluation Manager will then forward revised draft report (corrected by the evaluation team where necessary) to other project stakeholders, for their review and comments. Stakeholders may provide feedback on any errors of fact and may highlight the significance of such errors in any conclusions as well as providing feedback on the proposed recommendations and lessons. Any comments or responses to draft reports will be sent to the Evaluation Manager for consolidation. The Evaluation Manager will provide all comments to the evaluation team for consideration in preparing the final report, along with guidance on areas of contradiction or issues requiring an institutional response.

Based on a careful review of the evidence collated by the evaluation consultants and the internal consistency of the report, the Evaluation Manager will provide an assessment of the ratings in the final evaluation report. Where there are differences of opinion between the evaluator and the Evaluation Manager on project ratings, both viewpoints will be clearly presented in the final report. The Evaluation Office ratings will be considered the final ratings for the project.

The Evaluation Manager will prepare a **quality assessment** of the first and final drafts of the main evaluation report, which acts as a tool for providing structured feedback to the evaluation consultants. The quality of the report will be assessed and rated against the criteria specified in template listed in Annex 1.

At the end of the evaluation process, the Evaluation Office will prepare a **Recommendations Implementation Plan** in the format of a table, to be completed and updated at regular intervals by the Project Manager. The Evaluation Office will track compliance against this plan on a six monthly basis.

2. The Consultants' Team

For this evaluation, the evaluation team will consist of a [Team Leader and one Supporting Consultant] who will work under the overall responsibility of the Evaluation Office represented by an Evaluation Manager, Janet Wildish, in consultation with the UN Environment Project Manager, Marko Berglund, Fund Management Officer, Amanda Lees and the Sub-programme Coordinators of Climate Change Sub-programme, Ermira Fida. The consultant(s) will liaise with the Evaluation Manager on any procedural and methodological matters related to the evaluation. It is, however, the consultants' individual responsibility to arrange for their travel, visa, immunizations, obtain documentary evidence, plan meetings with stakeholders, organize online surveys, and any other logistical matters related to the assignment. The UN Environment Project Manager and project team will, where possible, provide logistical support (introductions, meetings etc.) allowing the consultants to conduct the evaluation as efficiently and independently as possible.

The [consultant/Team Leader] will be hired for 4 months spread over the period April 2017 to Sept 2017 and should have: an advanced university degree in environmental sciences, international development or other relevant political or social sciences area; a minimum of 20 years of technical / evaluation experience, including of evaluating large, regional or global programmes and using a Theory of Change approach; experience of institutional strengthening initiatives and a broad understanding of climate financing; excellent writing skills in English/French/Spanish; team leadership experience and, where possible, knowledge of the UN system, specifically of the work of UN Environment. The Supporting Consultant will be hired for X months spread over the period [00 Month/Year to 00 Month/Year] and should have: an undergraduate university degree in environmental sciences, international development or other relevant political or social sciences area; a minimum of X years of technical/monitoring/evaluation experience; a broad understanding of [add technical experience required]; proficiency in X along with excellent writing skills in English/French/Spanish and, where possible, knowledge of the UN system, specifically of the work of UN Environment. Experience in managing partnerships, knowledge management and communication is desirable for all evaluation consultants.

The [consultant/Team Leader] will be responsible, in close consultation with the Evaluation Office of UN Environment, for overall management of the evaluation and timely delivery of its outputs, described above in Section 11 Evaluation Deliverables, above. The [Supporting Consultant] will make substantive and high quality contributions to the evaluation process and outputs. [The consultant/Both consultants] will ensure together that all evaluation criteria and questions are adequately covered.

Details of general Evaluation Consultants' Team Roles can be found on the Evaluation Office of UN Environment website: www.unep.org/evaluation. Specific Team Member roles will be discussed further with the Evaluation Manager as the evaluation team is formed.

3. Schedule of the Evaluation

The table below presents the tentative schedule for the evaluation.

Table 3. Tentative schedule for the evaluation

Milestone	Deadline
Inception Mission	
Inception Report	
Evaluation Mission	
Telephone interviews, surveys etc.	
Powerpoint/presentation on preliminary findings and recommendations	
Draft report to Evaluation Manager (and Peer Reviewer)	
Draft Report shared with UN Environment Project Manager and team	
Draft Report shared with wider group of stakeholders	
Final Report	
Final Report shared with all respondents	

4. Contractual Arrangements

Evaluation Consultants will be selected and recruited by the Evaluation Office of UN Environment under an individual Special Service Agreement (SSA) on a "fees only" basis (see below). By signing the service contract with UN Environment/UNON, the consultant(s) certify that they have not been associated with the design and implementation of the project in any way which may jeopardize their independence and impartiality towards project achievements and project partner performance. In addition, they will not have any future interests (within six months after completion of the contract) with the project's executing or implementing units. All consultants are required to sign the Code of Conduct Agreement Form.

Fees will be paid on an instalment basis, paid on acceptance by the Evaluation Office of expected key deliverables. The schedule of payment is as follows:

Schedule of Payment for the [Consultant/Team Leader]:

Deliverable	Percentage Payment
Approved Inception Report	30%
Approved Draft Main Evaluation Report	30%

Approved Final Main Evaluation Report	40%

[Schedule of Payment for the Support Consultant]:

Deliverable	Percentage Payment
Approved Inception Report	30%
Approved Draft Main Evaluation Report	30%
Approved Final Main Evaluation Report	40%

Fees only contracts: Air tickets will be purchased by UN Environment and 75% of the DSA for each authorised travel mission will be paid up front. Local in-country travel will only be reimbursed where agreed in advance with the Evaluation Office and on the production of acceptable receipts. Terminal expenses and residual DSA entitlements (25%) will be paid after mission completion.

The consultants may be provided with access to UN Environment's Programme Information Management System (PIMS) and if such access is granted, the consultants agree not to disclose information from that system to third parties beyond information required for, and included in, the evaluation report.

In case the consultants are not able to provide the deliverables in accordance with these guidelines, and in line with the expected quality standards by the UN Environment Evaluation Office, payment may be withheld at the discretion of the Director of the Evaluation Office until the consultants have improved the deliverables to meet UN Environment's quality standards.

If the consultant(s) fail to submit a satisfactory final product to UN Environment in a timely manner, i.e. before the end date of their contract, the Evaluation Office reserves the right to employ additional human resources to finalize the report, and to reduce the consultants' fees by an amount equal to the additional costs borne by the Evaluation Office to bring the report up to stand