Evaluation Office

Terminal Evaluation of the UNEP Inquiry into the Design of a Sustainable Financial System (PIMS 01661)

and

Interim Review of the UNEP-GEF Aligning the Financial System and Infrastructure Investments with Sustainable Development (Components 1 and 2). GEF 09775

Evaluation Office of the United Nations Environment Programme

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UNEP Inquiry into the Design of a Sustainable Financial System
and Interim Review of the UNEP-GEF Aligning the Financial System and Infrastructure Investments with Sustainable Development (Components 1 and 2)
PIMS ID 01661/623.2 & GEF ID 9775

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The evaluation consultants hope that the findings, conclusions and recommendations will contribute to the successful finalisation of the current project, formulation of a next phase and to the continuous improvement of similar projects in other countries and regions.

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ABOUT THE EVALUATION

Joint Evaluation: No

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Evaluation Type: Terminal Evaluation

Brief Description: This report is a Terminal Evaluation of the UNEP project *Inquiry into the Design of a Sustainable Financial System* implemented between 2014 and 2021 and an interim Review of the UNEP-GEF project *Aligning the Financial System and Infrastructure Investments with Sustainable Development (Components 1 and 2)* implemented between 2019 and 2022. The projects' overall development goals were: i) Inquiry: to 'identify and develop financial market policy and regulatory options, based on global best practice, which would deliver a step change in their effectiveness in channelling capital to green investments'; ii) GEF Project: to build international consensus to align financial systems with the Sustainable Development Goals and catalyse national regulatory actions and regional sustainable infrastructure investments

The evaluation sought to assess project performance (in terms of relevance, effectiveness and efficiency), and determine 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 learning, feedback, and knowledge sharing through results and lessons learned among UNEP, and the relevant agencies of the project participating countries.

Key words: sustainable finance; green economy; financial systems

Primary data collection period: October 2021 - February 2022

Field mission dates: N/A

ACRONYMS

AIFC	Astana International Financial Centre
APEC	Asia-Pacific Economic Cooperation
BIS	Bank for International Settlements
CBI	Climate Bonds Initiative
CCM	Climate Change Mitigation (Unit)
COP	United Nations Climate Change Conference of the Parties
CVF	Climate Vulnerable Forum
DFI	Development Finance Institution
DTIE	*Formerly:* Division of Technology, Industry and Economics (UNEP); *Currently:* Economy Division
ECOWAS	Economic Community of West African States
ED	Executive Director (UNEP)
EF	UNEP Environmental Fund
ESCAP	Economic and Social Commission for Asia and the Pacific
ESG	Environment, Social and Governance
ETB	*Formerly:* Economics and Trade Branch, DTIE, UNEP; *Currently:* Resources and Markets Branch
EU	European Union
FC4S	International Network of Financial Centres for Sustainability
FSB	Financial Stability Board
G20	Group of Twenty Countries
G7	Group of Seven Countries
GAAP	Generally Accepted Accounting Principles
GAAS	Generally Accepted Auditing Standards
GDFA	Green Digital Finance Alliance
GEF	Global Environmental Facility
GFANZ	Glasgow Financial Alliance for Net Zero
GGKP	Green Growth Knowledge Partnerships
IAIS	International Association of Insurance Supervisors
IEA	International Energy Agency
IFC	International Finance Corporation
IISD	International Institute for Sustainable Development
ILN	Investor Leadership Network
IMF	International Monetary Fund
IOSCO	International Organization of Securities Commissions
IUCN	International Union for Conservation of Nature
KIC	Knowledge and Innovation Community
MAVA	MAVA Foundation (Hoffman Family)

MDB	Multilateral Development Bank
MOU	Memorandum of Understanding
MSE	Mongolia Stock Exchange
MSFA	Mongolian Sustainable Finance Association
MSME	Micro, Small and Medium-Sized Enterprise
MTS	Medium-Term Strategy (UNEP)
NDC	Nationally Determined Commitment
NGFS	Network for Greening the Financial System
OECD	Organisation for Economic Co-operation and Development
PAGE	Partnership for Action on the Green Economy (UNEP)
PBC	People's Bank of China
POW	Programme of Work
SBFN	Sustainable Banking and Finance Network (Formerly SBN) (IFC)
SBN	Sustainable Banking Network (IFC)
SFWG	Sustainable Finance Working Group (of the G20)
SIDS	Small Island Developing State
SIF	Sustainable Insurance Forum
TE	Terminal Evaluation
TFCD	Taskforce on Climate-Related Financial Disclosure
TOR	Terms of Reference
UNDP	United Nations Development Programme
UNDRR	United Nations Office for Disaster Risk Reduction
UNEG	United Nations Evaluation Group
UNEP	United Nations Environment Programme
UNEP-FI	UNEP-Finance Initiative
UNFCCC	United Nations Framework Convention on Climate Change
UNOPS	United Nations Office for Project Services
V20	Vulnerable 20 Countries
WOCAN	Women Organizing for Change in Agriculture and Natural Resource Management

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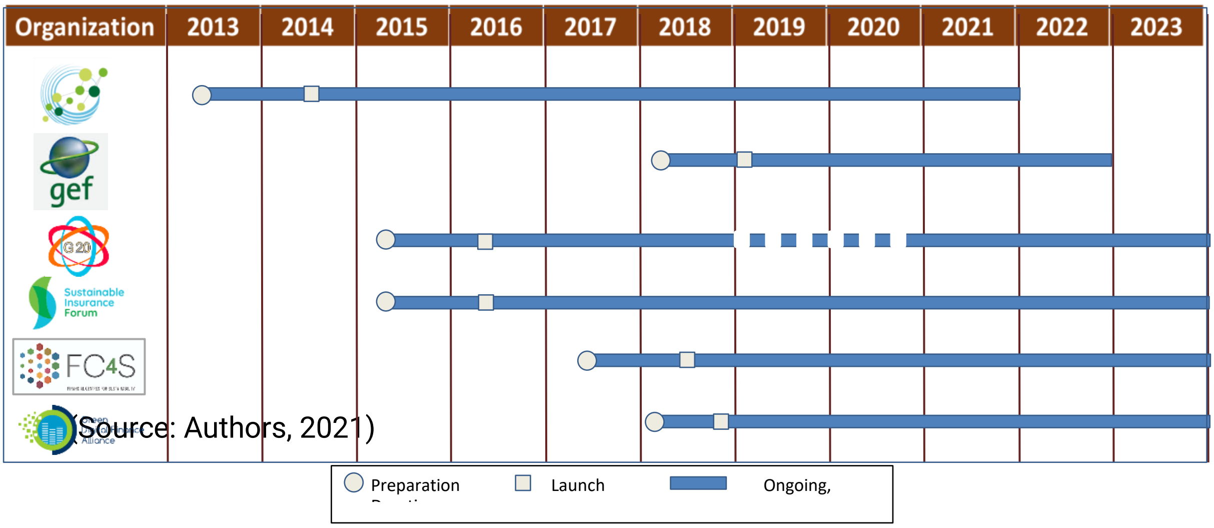
I Executive Summary

1. **Introduction:** This is the Main Evaluation Report for the Terminal Evaluation of the UNEP Project entitled **Inquiry into the Design of a Sustainable Finance System**, UNEP PIMS 01661 (hereinafter, the Inquiry Project), and an Interim Review of Components 1 and 2 of its related UNEP/GEF Project entitled **Aligning the Financial System and Infrastructure Investments with Sustainable Development**, GEF ID 9775 (hereinafter, the GEF Project). Data for the evaluation were collected between October 2021 and February 2022 through extensive document review, 45 interviews with key persons within and outside UNEP, and analysis of case profiles of the projects' engagement with four international platforms and seven country partners.

2. **The Projects:** Approved in 2013 and launched in 2014, the Inquiry Project was completed in December 2021, reporting expenditures of USD 16.25 M. The objective of the project, as stated in the 2013 Project Document, was to 'identify and develop financial market policy and regulatory options, based on global best practice, which would deliver a step change in their effectiveness in channelling capital to green investments'. The project aim was 'to engage, inform and guide policy makers, financial market actors and other stakeholders concerned with the health of the financial system and its impacts'. With its Components 1 and 2 executed by Inquiry, the GEF Project was approved in 2018, began operations in early 2019, and is expected to be completed in December 2022. It has reported direct expenditures for the two components of USD .565 M by early 2022. Addressing greenhouse gas emission mitigation, the GEF Project's overall objective is to build international consensus to align financial systems with the Sustainable Development Goals and catalyse national regulatory actions and regional sustainable infrastructure investments. Both the Inquiry and GEF projects have contributed to UNEP's Resource Efficiency Sub-Programme, which is primarily operationalized through the Economy Division. Figure ES1 presents the timeline of the two interventions and their affiliated platforms.

Figure 1: (Exec Sum) Timeline – The Inquiry Project



(Source: Authors, 2021)

3. **Findings:** The Challenge: The past ten years have seen major gains in the greening of the global financial system. Spanning most of that decade, the projects assessed here made important contributions to this effort. However, the scale of sustainable finance across and within countries remains too small, and the velocity of its growth too slow, to fully address the requirements of the Sustainable Development Goals and the Paris Accord in the real economy[1]. In addition to fulfilling its accountability function, this evaluation draws lessons from the projects that shed light on what more can be done to accelerate the scaling of sustainable finance and to ensure its impacts make a meaningful and measurable difference to people and the planet.

4. **Achievements:** From 2014 through 2018, with ambition and ingenuity, the Inquiry Project embedded policy-change processes for sustainable finance in important global bodies like the G20, G7 and World Bank and in the financial sectors of 20 countries, constituting impressive system-level gains. Inquiry's core methods included apex-level networking with elite decision-makers, leverage through central banks and financial supervisors, new-knowledge production, strategic communications, external fundraising, and new-platform creation. Box ES1 presents this evaluation's summary of the "Inquiry model" that was developed and especially active through 2018. Since 2019, the GEF Project, with Components 1 and 2 executed by Inquiry,[2] has focused its support on the national roadmaps and next-generation research needed to build sustainable finance markets and policy architecture in six key emerging-market economies, highlighting innovation and facilitating cross-national learning.

Box ES1: Core Elements of the Inquiry Model

- Audacious, systems-level goal and theory of change
- High-level executive support
- Respected, connected senior-level directors
- Building credible evidence through targeted new data and analysis
- Relentless, continuous strategic communications
- Good timing/first-mover advantages
- Apex-level elite networking and relationship building
- Levering change through public-sector regulation and supervision
- Vertical and horizontal agility and adaptive management and continuously asking: "What's next?"
- Commitment to authentic links to the real economy
- Animating alliances and mutual learning between developed and emerging economies
- Incubating spin-off platforms to reach higher and wider, go deeper, and sustain results
- Mobilization of both in-house and external financial resources
- Closely knit staff team with distributed decision-making and remote coordination
- Migration to a new institution (UNDP) to host and nurture many follow-on activities

Source: Authors, 2022

5. Taken as a whole, this trajectory of work received consistent, important support from the UK, China, EU, Germany, Italy, and Switzerland and several philanthropic foundations. Toward the end of the period, the locus of support for Inquiry's legacy platforms in the G20, insurance, and financial centres shifted to the United Nations Development

[1] This challenge has been rendered more pressing and complex by Russia's invasion of Ukraine in early 2022, triggering a global energy security crisis

[2] Since the middle of 2021, Components 1 and 2 of the GEF project have been executed by UNEP's Green Growth Knowledge Platform project

Programme (UNDP), which had expanded its mandate on sustainable finance. For UNEP, two projects—the Green Growth Knowledge Platform (GGKP) and UNEP Finance Initiative (UNEP-FI)—are pursuing follow-on activities through 2022.

6. **Outstanding Issues:** While Inquiry's bold and creative approach proved to be very effective for contributing to systems and policy change at both the global and country levels, and its strategies for sustaining results were innovative and strong, the project was not adopted as a permanent program within UNEP. From the outset, the strategic intent of the Inquiry Project was to fast-track UNEP's work on sustainable finance, which yielded important benefits. At the same time, however, Inquiry's hard-charging, disruptive operating style, its administrative outsourcing to UNOPS, and other factors contributed to institutional tensions and lack of uptake of the project within UNEP. Both the project and the institution bear responsibility for the strains that arose. In addition, the Inquiry Project did not make a concerted effort to address the needs of vulnerable countries and communities, especially small island developing states (SIDS), and very poor countries in general. Nor did the Inquiry Project take a systematic approach to gender equality, although the GEF Project has been a stronger performer in this regard. One unintended consequence of the rise of sustainable finance to which Inquiry and many other organizations may have contributed is the possibility of a higher cost of capital in some emerging economies. Finally, expressly designed for breadth and reach, the Inquiry-GEF set of interventions did not "go deep" into specific verticals, such as the methane, chemicals or plastics industries, or other important sectors where sustainable finance could play a role in accelerating climate-transition efforts.

7. **Ratings:** Employing the UNEP Evaluation Office's weighted rating system and set of rubrics for its core evaluation criteria, the Inquiry Project is, overall, rated Highly Satisfactory. For Components 1 and 2, the GEF Project is, on an interim basis, rated Satisfactory. Notwithstanding limits in their design and operations, the projects have achieved very real successes and innovations at meaningful scale and developed and refined a productive implementation model. In an era when boldness, ingenuity, scale, and acceleration at the systems level are essential for realizing the full potential of sustainable finance, Paris Accord, and the SDGs, it is important to understand in detail how to adapt, improve and replicate the strategies and tools employed by the Inquiry Project and the GEF Project.

8. **Lessons Learned:** Among the lessons that can be drawn from the evaluation of the Inquiry and GEF projects are that: the convening power of the United Nations remains a powerful asset; the Inquiry model is available to UNEP and other organizations to be applied to a new set of challenges and opportunities; any application of the model should be strictly time-bound, set out clear pathways for exit and follow-up, and perhaps be administered outside UNEP; planning, animating, and supporting new, specialized platforms which can be spun off as separate, self-driven entities constitutes an effective strategy for advancing and sustaining the work; projects in sustainable finance should collect gender-disaggregated data to promote gender equality; and projects in sustainable finance should document and calculate the monetised value of the in-kind contributions they mobilize from programming partners.

9. **Conclusions:** Based on the findings presented here, it can be concluded that the Inquiry Project was a very strong performer in terms of effectiveness and sustainability, as well as on stakeholder participation and country ownership. Moreover, through its implementation, Inquiry demonstrated the value of an ambitious, fast-moving, systems-change focused disruptive intervention model. There were also several aspects of the application of the project model that limited its effectiveness. These factors included: lack of clear on-ramp into mainstream programming of UNEP, the project's host institution; tensions with host-agency's programmatic units and administrative systems; lack of a comprehensive gender equality strategy; insufficient attention to the needs of highly vulnerable groups, particularly SIDS and coastal communities more generally; and an over-reliance on Northern-based grant recipients, especially among networks and universities. For its part, the GEF Project has to date performed solidly overall, with notable strengths indicated in sustainability and country ownership. It has been stronger on gender but has struggled, so far, to meet its co-financing commitments.

10. **Recommendations**: Overall, this evaluation concludes that the Inquiry Project was a very strong performer in terms of effectiveness and sustainability, as well as on stakeholder participation and country ownership. The GEF Project has to date performed solidly overall, with notable strengths indicated in sustainability and country ownership. Recognizing the achievements, innovations and learning generated by the projects assessed here, as well as their weaknesses and outstanding issues, the following recommendations are presented. Several recommendations are directed to UNEP's Economy Division, the host division of the Inquiry and GEF projects, with the recognition that these approaches can be adapted across the broader UNEP framework. It is recommended that UNEP:

a) In association with an assessment of the work carried out under the UNEP-FI project, consider undertaking a comprehensive review of its programming in sustainable finance to renew its role, strategy, and programming instruments with the aims of accelerating the exponential, targeted growth of sustainable investments and ensuring their positive downstream impact, working with UNDP and other partners, especially in vulnerable countries and among marginalized groups. In particular, the sustainable finance findings from the Inquiry project should be used to inform an alignment of private finance and public finance approaches used by UNEP-FI and Economy Division's fiscal team, to create more synergies and strategic mobilization of finance towards achievement of the SDGs under UNEP.

b) As part of this review, assess the extent to which, and through which modalities, UNEP's sustainable finance programming instruments—including the GEF, GGKP, PAGE, UNEP-FI, and other initiatives—should re-set their work with sustainable finance regulators, in coordination with UNDP and other key actors.

c) Consider the extent to which elements of an adapted version of the Inquiry model could and should be applied, for a limited period, to a specific programming area or set of issues to raise awareness, engage elite decision-makers, generate new knowledge, facilitate rapid, scaled action, and perhaps incubate and spin-off new, specialized platforms or vehicles.

d) Request Economy Division to conduct an analysis on the integration of targeted programming for SIDS, LDCs, indigenous organizations and other marginalized groups across the Division's portfolio. This may lead to a UNEP-wide response led by the Ecosystems Division to which the Economy Division contributes.

e) Request Economy Division to develop and implement a fully-fledged gender equality strategy to be integrated into all its policies, programs, and projects. This may lead to a UNEP-wide response led by the Policy and Programme Division and to which the Economy Division contributes.

f) Request the GEF Project, supported by UNEP-FI, to organize an educational webinar with tailored learning materials on sustainable finance roadmaps for members of the V20 and Climate Vulnerable Forum.

g) Through GGKP, strengthen its approach to identifying and meeting co-financing obligations under the GEF Project by systematically and comprehensively documenting and reporting the monetized value of in-kind contributions by its staff and its country and international partners.

II Introduction

11. This is the Main Evaluation Report for the Terminal Evaluation of the UNEP Project entitled Inquiry into the Design of a Sustainable Finance System, UNEP PIMS 01661 (hereinafter, the Inquiry Project), and an Interim Review of Components 1 and 2 of its related UNEP/GEF Project entitled Aligning the Financial System and Infrastructure Investments with Sustainable Development, GEF ID 9775 (hereinafter, the GEF Project). The report is divided into the following sections: purposes of the evaluation, evaluation methods, the projects, theory of change, evaluation findings, and conclusions, lessons learned and recommendations. Throughout the report, more in-depth case profiles of key platforms and country partners are presented within text boxes to provide more detail on the work of the projects and their partners.

A. Purposes of the Evaluation

12. The UNEP Evaluation Policy and the UNEP Programme manual require that a terminal evaluation be undertaken at the completion of a project "to assess project performance in terms of relevance, effectiveness, and efficiency, and determine outcomes and impacts (actual and potential) stemming from the project, including their sustainability." To that end, the evaluation had two main purposes:

    1) to provide evidence of results to meet accountability requirements; and

    2) to promote operational improvement, learning and knowledge sharing through results and lessons learned among UNEP and the main project partners and key stakeholders. To assess the projects, the evaluation applied the UNEP Evaluation Office's standard performance ratings criteria: strategic relevance, quality of project design, nature of external context, effectiveness, financial management, efficiency, monitoring and reporting, sustainability, and factors affecting performance and cross-cutting issues. The main audiences for the findings of this evaluation are senior management of UNEP and the GEF, UNEP program staff, former Inquiry team member and partners, and other organizations active in the field of sustainable finance.

III Evaluation Methods

13. This evaluation was guided by OECD-DAC evaluation standards and UNEP Evaluation Office policies. Throughout the evaluation process and in the compilation of the final evaluation report, efforts were made to represent the views of both mainstream and more marginalized groups. Data were collected with respect for ethics and human rights issues. All information was gathered after prior informed consent from participants, all discussions remained anonymous, and all information was collected according to the UN Standards of Conduct.

14. The approach taken for the evaluation was theory-based, results-focused and learning-oriented, utilizing three main data collection methods. First, an extensive review of project and external documents was undertaken; the Inquiry Project generated over 200 global and country-level reports as well as internal project management plans and reports (see Annex A for a selection of documents reviewed). Second, the evaluation team interviewed 45 key persons within and outside UNEP who had supervised, led, staffed, or partnered with the projects under study. Thirty-eight percent of interviewees were women. Table 1 presents the breakdown of interviewees by category. Annex B lists the persons interviewed with a gender disaggregation for each segment. Questions based on UNEP's performance criteria guided interviews. Annex C reproduces the interview guide.

Table 1: Sample of Key-Person Interviews by Stakeholder Segment

Segment	Target #	Achieved	Links to Evaluation Criteria
UNEP leaders and staff	8	8	Criteria: A, B, D, E, F, G
UNEP Inquiry leaders, staff, consultants	9	15	Criteria: A, B, C, D, E, F, G, H, I
Leaders and staff at other UN agencies, multilaterals	4	4	Criteria: A, B, C, D, H
International platform representatives	8	5	Criteria: A, B, C, D, F, H,
Partner country representatives	8	10	Criteria: A, B, C, D, E, F, H,
Unaffiliated sector experts	3	3	Criteria: A, B, D, H,
All segments	**40**	45	All Criteria

Source: Authors, 2022

15. The third data collection and analysis method involved the preparation of 11 case profiles of global platforms and country partnerships where the Inquiry and GEF projects played significant roles at key points in time over the 2014-2021 period. The Inquiry Project was instrumental in catalysing, incubating, and sustaining four global platforms in particular: the G20 Sustainable Finance Study/Working Group, Sustainable Insurance Forum (SIF), International Network of Financial Centres for Sustainability (FC4S), and Green Digital Finance Alliance (GDFA). Important country partners which have both benefited from and contributed to the work of the Inquiry and GEF projects include China, India, Kazakhstan, Kenya, Mexico, Mongolia, and Nigeria. In addition, the evaluators observed relevant online events of the GEF Project and COP26. The evaluation was constrained by limited calendar time and person days. However, this mix of methods—informed by theory of change analysis and contribution analysis—enabled the team to triangulate findings across data sources which, in turn, moderated the effects of potential selection and response bias among interviewees.

16. In line with UNEP's Evaluation Policy, the evaluation applied the UNEP Evaluation Office's standard performance ratings criteria: strategic relevance, quality of project design, nature of external context, effectiveness (availability of outputs, achievement of outcomes and likelihood of impact), financial management, efficiency, monitoring and reporting, sustainability, and factors affecting performance and cross-cutting issues Most evaluation criteria are rated on a six-point scale as follows: Highly Satisfactory (HS); Satisfactory (S); Moderately Satisfactory (MS); Moderately Unsatisfactory (MU); Unsatisfactory (U); 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). Performance ratings are presented separately for the Inquiry and GEF projects; see Table 10. The ratings against each criterion are weighted to derive the Overall Project Performance Rating. The greatest weight is placed on the achievement of outcomes, followed by dimensions of sustainability.

Table 2: Platform and Country Profiles

Global Platforms		Country Partnerships	
1	G20 Sustainable Finance Study/Working Group	1	China
2	Sustainable Insurance Forum	2	India
3	International Network of Financial Centres for Sustainability	3	Kazakhstan
4	Green Digital Finance Alliance	4	Kenya
		5	Mexico
		6	Mongolia
		7	Nigeria

Source: Authors, 2022

IV Projects

17. Two related projects were assessed for the present evaluation. *First*, a ***Terminal Evaluation*** (TE) was carried out for the ***Inquiry into the Design of a Sustainable Finance System*** (The Inquiry Project, UNEP PIMS 01661). Approved in 2013 and launched in 2014, after several extensions and design modifications, this project was completed in December 2021 and reported total expenditures of USD 16.25 M). The objective of the project, as stated in the 2013 Project Document, was to 'identify and develop financial market policy and regulatory options, based on global best practice, which would deliver a step change in their effectiveness in channelling capital to green investments'. The project aim was 'to engage, inform and guide policy makers, financial market actors and other stakeholders concerned with the health of the financial system and its impacts'. In 2014, the Project stated that the primary outcome it was pursuing was "to raise awareness among policy makers and financial practitioners of the potential gains from greening the financial system with a secondary outcome of designing options from the Inquiry Project for capital market regulations that drive investment at greater scale towards a green and inclusive economy and inform and orient policy debates on establishing a sustainable financial system".[3]

18. *Second*, an ***Interim Review*** was conducted for Components 1 and 2 of the related ***Aligning the Financial System and Infrastructure Investments with Sustainable Development*** project (the GEF Project, GEF ID 9775). According to the TE TOR: "The GEF project addresses the greenhouse gas emission mitigation and has an overall objective to 'build international consensus to align financial systems with the Sustainable Development Goals [SDGs] and catalyse national regulatory actions and regional sustainable infrastructure investments."[4] Approved in 2018, and launched in early 2019, the project is scheduled to be completed in 2022 and has reported total expenditures of USD 565,117 in direct costs for Components 1 and 2 to end of December 2021.[5] There are three components of the GEF Project: ***Component 1*** aims to catalyse national actions, particularly through the framework of national roadmaps. ***Component 2*** focuses on building international consensus around best practices. Components 1 and 2 were led by the Inquiry Project team until June 2021 and are currently being led by the GGKP as the GEF Project completes its work. ***Component 3*** focuses on building international consensus to align financial systems with the sustainable development goals, is managed by UNEP's Economic and Trade Policy Unit (ETP-U) and was not assessed in this present study because it contributes to the results of a different UNEP project.[6]

19. Both the Inquiry and GEF projects have contributed to UNEP's Resource Efficiency Sub-Programme, which is primarily operationalized through the Economy Division. The Inquiry Project was managed within the Resources and Markets Branch while the GEF Project

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[3] Derived from the Project Document, 09.01.2014
[4] Drawn from the Request for CEO Endorsement, 29.05.2018
[5] The evaluation team notes that, although Component 3 of the GEF Project was not part of the present evaluation, the total reported expenditures for all three project components, including Component 3, is USD 1,096,239 through December 2021
[6] Component 3 represents substantive work at country level (Mongolia and, to some extent, Ghana) to "build international consensus to align financial systems with sustainable development goals and catalyse national regulatory actions and regional sustainable infrastructure investments" and is linked, thematically and operationally, to UNEP's PIMS project 612.4 on Sustainable Infrastructure.

has been implemented[7] by the Climate Change Mitigation Unit, under the Energy and Climate Branch, with Components 1 and 2 executed by the Inquiry Project and then GGKP. Other cooperating initiatives, particularly UNEP-FI and the Partnership for Action on the Green Economy (PAGE), are housed in the same Branch as Inquiry and GGKP. Both projects have contributed to UNEP's Expected Accomplishment EA (b): "Public, private and finance sectors increasingly adopt and implement sustainable management frameworks and practices".

A. Context

20. The period under review here, 2014 through 2021, saw major advances in sustainable finance in the public and private sectors globally and particularly in the US, UK, Europe, and China. Early in the period, in 2015, the Paris Accord was adopted, the UN's Sustainable Development Goals were launched, and China's Green Bond Endorsed Catalogue was issued. Soon after, the Financial Stability Board established the Task Force on Climate-Related Financial Disclosure, which published its first report in 2017, and the EU began work on its Sustainable Finance Taxonomy. By 2020, green bonds and Environment, Social and Governance (ESG) investing had been mainstreamed in private markets, notwithstanding the negative effects of the COVID-19 pandemic. In late 2021, the period concluded with governments, banks and companies pledging more ambitious net-zero targets at COP26. Notwithstanding this significant progress, however, annual climate finance flows worldwide remained modest at about $830 billion in 2020, far short of the $4.5-5.0 *trillion* required by the Paris Accord and the SDGs.[8] Russia's invasion of Ukraine in early 2022 triggered a global energy security crisis, rendering this challenge more pressing and complex, and, as UNEP-FI put it, underscoring the imperative for an accelerated net-zero transition.[9]

21. It was against this backdrop that the Inquiry Project and GEF Project operated. These interventions were aimed at raising awareness, building the capabilities, and establishing a positive and predictable policy environment to support the public-sector regulation and supervision necessary to enable sustainable finance to rapidly gain significant scale and impact. The Inquiry was approved in 2013 as an innovative, fast-paced, and high-profile project. It was initially scheduled to run for a period of eighteen months as a catalyst that could accelerate the transition to a green economy. The project was meant to create spaces for policy makers, investors, the broader business community, and other related stakeholders to meet, exchange and agree upon options for action. The project was also intended to build upon the ongoing work of UNEP-FI and the UNEP Green Economy Initiative (GEI).

B. Results Framework

22. Over its lifetime, like most multi-year development interventions, the Inquiry Project underwent a series of revisions to its design and refinements to its logic model. In 2019,

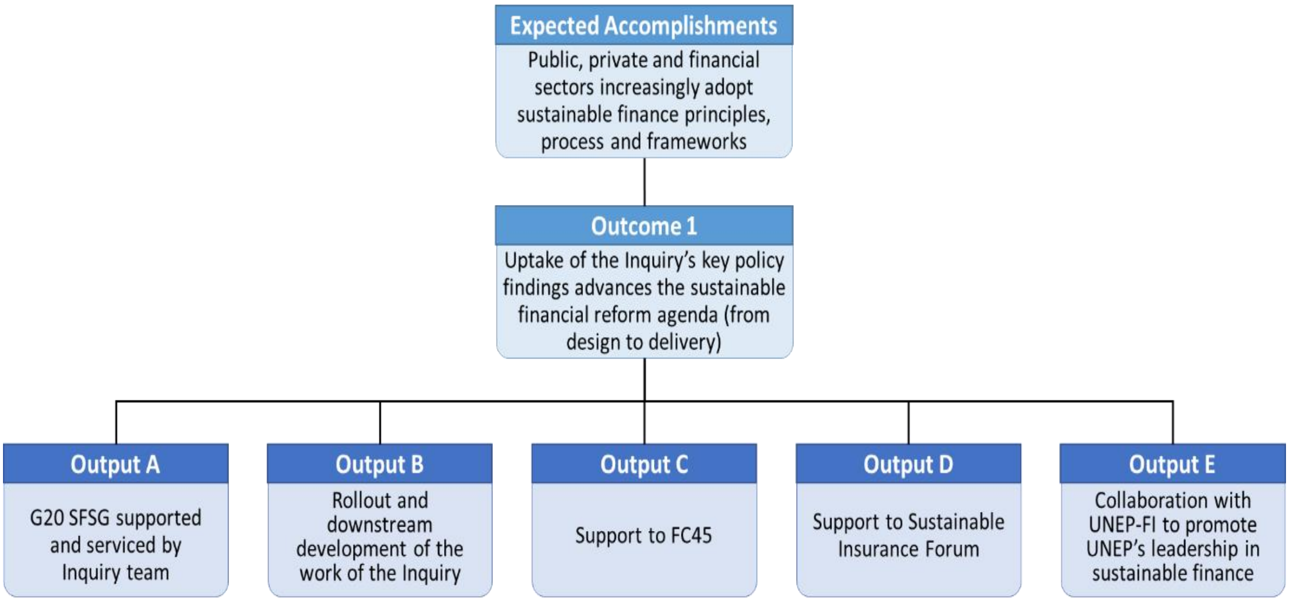
[7] In GEF funded projects, the roles of Implementing and Executing Agency are clearly defined and should not share a common line management route

[8] Climate Policy Initiative, Global Landscape of Climate Finance, 2021

[9] See UNEP-FI, Escalating energy crisis underscores imperative for accelerated net-zero transition, April 8, 2022 https://www.unepfi.org/news/industries/investment/escalating-energy-security-crisis-underscores-imperative-for-accelerated-net-zero-transition/

as it was in the process of shifting toward GEF funding, the Inquiry Project was executing and reporting against an updated logic model whose ultimate result read as follows: "Public, private and finance sectors increasingly adopt sustainable finance principles, processes and frameworks." The ***Primary Outcome*** leading to this result was stated as: "Uptake of the Inquiry's key policy findings advances the sustainable financial reform agenda (from design to delivery)." The five outputs of the Project intended to contribute to this outcome were: support to the G20 SFSG (now SFWG); rollout and downstream development of Inquiry's work; support to FC4S; support to SIF; and collaboration with UNEP-FI for UNEP leadership in sustainable finance. Figure 1 depicts this logic model.

Figure 2 Logical Framework, the Inquiry Project, 2019



Source: UNEP, 2021

23. Subsequently, the Inquiry Project served as the Executing Agency for Components 1 and 2 of the GEF Project, while UNEP's Climate Change Mitigation Unit was the Implementing Agency. Here the overall ***Project Objective*** was stated as: "Build international consensus to align financial systems with the Sustainable Development Goals and catalyse national regulatory actions and regional sustainable infrastructure investments". Key outcome indicators were the amount of USD investment stemming directly from national roadmap recommendations and the direct quantum of GHG emissions mitigated by roadmap implementation. ***Component 1*** called for the project to support the drafting of sustainable finance roadmaps for China, Kazakhstan, India, Mexico, Mongolia, and Nigeria and to provide implementation support in specific areas to two of the six countries. ***Component 2*** sought to build international consensus on best practices (policies, regulations, standards) to green the financial system. The main indicator here was the number of official statements issued by the G7, G20 or other global bodies that explicitly promote greening the financial system in supporting the SDGs. Moreover, the GEF Project incorporated a commitment to advance gender equality in both components, including supporting roadmaps to embed gender in sustainability reporting, gender mainstreaming within its outreach and communications strategy, and, through a gender theme and filter on the virtual Green Finance Measures Database.

Case Profile 1: *International Network of Financial Centres For Sustainability*

Announced in the 2017 Bologna Communique of the Italian G7 Presidency, the Inquiry Project launched the International Network of Financial Centres for Sustainability (FC4S)[1] to enable major financial hubs to "exchange experience and take common action on shared priorities to accelerate the expansion of green and sustainable finance."[2] Founding members of the network included Astana, Casablanca, Dublin, Hong Kong, London, Luxembourg, Milan, Paris, Qatar, Shanghai, and Stockholm. By 2018, the membership of FC4S had grown to 17 cities.[3] Work in the initial years generated a self-assessment tool for financial centres, and a set of shared terms and principles on sustainable finance. In 2019, the network published Shifting Gears, a report that measured the contribution of financial centres to the transition to low-carbon and sustainable development.

Today, with its Secretariat based at UNDP, the network serves 39 members whose financial institutions manage $84 trillion in global equity-market capitalization and 82% of the global equity market. Nearly half are based in emerging economies with 14 located in Europe; about 40% of members are public-private entities. Currently FC4S focuses on five themes: strengthening strategic commitment, boosting market integrity, building capacity, fostering innovation, and serving the real economy.[4] Among programming topics recently engaged by the network are sustainable-finance skill-building, international cooperation on taxonomies, inputs into national sustainable finance roadmaps, and COP26. Funding for the network is provided by UNDP, Climate-KIC and the EU, Sustainable Nation Ireland, Italy, Luxembourg, and Switzerland.

[1] To facilitate this discussion, the Inquiry Project tabled an input paper for the G7 proceedings entitled Financial Centres and Sustainability, 2017
[2] UNEP Inquiry, UN Environment Inquiry Overview, Prepared for the Committee of Permanent Representatives, 2018, p. 10
[3] UNEP Inquiry, Ibid, 2018
[4] International Network of Financial Centres for Sustainability, Website, 2022

C. Stakeholders

24. From its inception, the Inquiry Project listed the following players within the financial system as the primary stakeholders for this project: financial regulators, financial institutions (e.g., banks, asset managers, and insurance companies), institutional investors, stock exchanges, and credit rating agencies. Indirect stakeholders were identified as policy makers, businesses/customers, civil society, and academia. In its initial years (2014-2016), the Inquiry Project reported that its main UNEP partners were the Executive Office, Office For Operations, Economy Division,[10] GEI, PAGE, UNEP-FI, and Regional Offices. International partners included BIS,[11] FSB, G7, G20, IFC, IAIS, IMF, IOSCO, OECD, and WB, as well as 16 country partners, more than 100 research partners, and over 400 global engagement partners. An Advisory Council of senior leaders of regulatory and supervisory agencies, central banks, commercial banks, and multilateral banks provided guidance to Inquiry in its early years. Over time, the Inquiry Project shifted its emphasis toward public-sector regulators—central bankers and financial supervisors—while other UNEP entities, notably UNEP-FI, worked with regulated industries in the financial system.

25. Under the GEF Project, stakeholder engagement for Component 1 has focused on engaging national partner organizations, such as the Mongolian Sustainable Finance Association and the Astana International Finance Centre (through its Green Finance Centre) or consulting groups like Climate Transition in Nigeria and Development Alternatives in India. More recently, in late 2021, GGKP's Green Forum Sustainable

[10] Formerly Division for Technology, Industry and Economics (DTIE)
[11] Bank for International Settlements (BIS), Financial Stability Board (FSB), Group of 7 Countries (G7), Group of 20 Countries (G20), International Finance Corporation (IFC), International Association of Insurance Supervisors (IAIS), International Monetary Fund (IMF), International Organization of Securities Commissions (IOSCO), Organisation for Economic Co-operation and Development (OECD), and World Bank (WB)

Finance Discussion, with 400 members at the time and currently more than 500, was officially dedicated to the GEF Project for sharing experiences and encouraging collaboration across countries. At the same time, GGKP's Green Finance Platform, which now represents more than 30 knowledge partners, released a stakeholder engagement action plan "to strengthen connections and coordination efforts within the international sustainable finance ecosystem."

Box 1: Organizational Affiliation of Inquiry Advisory Council Members, 2015

1.	Bangladesh Bank	9.	Ministry of Finance Uganda
2.	CALPERS	10.	Standard and Poors
3.	FEBRABAN	11.	State Secretary & FOEN, Switzerland
4.	Financial Services Authority UK	12.	The Cooperators
5.	Fung Global Institute	13.	UNEP Finance Initiative
6.	HSBC India	14.	World Economic Forum
7.	International Monetary Fund	15.	World Bank
8.	Johannesburg Stock Exchange		

Source: Inquiry Project, 2015

Figure 3 Logo Map of Inquiry Project Stakeholders

Source: Inquiry Project, 2020

Case Profile 2: *Nigeria*

The Inquiry Project's engagement with Nigeria spanned the period 2017-2021. The early years (2017-2019) focused on the provision of support to Nigeria's Federal Government to design and launch the continent's first sovereign green bond. An early leader in sustainable finance, the Central Bank of Nigeria had issued a set of Sustainable Banking Principles in 2012.[1] In 2016, as part of its Nationally Determined Commitments under the Paris Agreement and championed by both the Environment and Finance Ministers, the Federal Government set the goal to launch a sovereign green bond to finance projects in renewable energy, particularly solar, and afforestation and reforestation.[2] Inquiry worked through its ally, the UK-based Climate Bonds Initiative, to provide technical assistance resulting in the issuance of a five-year, NGN 10.69 B sovereign green bond, which was rated GB1 (excellent) by Moody's, met the Climate Bonds standard, and was oversubscribed. Since then, Nigeria's green bond market has grown to almost NGN 56 B[3] though there are challenges in deploying the proceeds of the bonds.[4] The policies of the Debt Management Office on green bonds that were introduced have been refined and maintained. The structures originally put in place – the Green Bond Secretariat and the Green Bond Advisory Group – remain intact,[5] with the World Bank, IFC, African Development Bank, as well as UNEP and CBI as active external partners.[6]

Recent work under Inquiry's GEF Project, in 2020-2021, has focused on Lagos, the country's financial centre and a member of FC4S, and has been carried out by the Nigerian firm Climate Transition Limited. This research has confirmed that most Nigerian banks track and manage their climate risk and see opportunities in a range of green finance products.[7] Sustainable finance in general in the country continues to face several obstacles, including the high cost of capital, the need for liquidity buffers and capital reserving for climate-related issues.[8] The next steps in Nigeria are to complete the policy and regulatory architecture at the Federal and Lagos levels to reduce barriers and increase flows of private capital into sustainable projects and transition investments. The GEF project's consultant calls for technical assistance and capacity building for the broad financial sector; supporting the Central Bank of Nigeria to complete their policy menu, such as mandating banks on their brown financing footprint and increasing the use of blended finance vehicles and instruments.

[1] Central Bank of Nigeria, Implementation of Sustainable Banking Principles by Banks, Discount Houses and Development Finance Institutions in Nigeria, Abuja, September 24, 2012 https://www.cbn.gov.ng/out/2012/ccd/circular-nsbp.pdf (accessed via GGKP's Green Finance Platform)
[2] A. Whiley, Nigeria Issues Climate Bonds, Certified Sovereign Green Bond: Signals' More to Come' as part of Paris NDC objectives, Climate Bond Initiative, London, 2017
[3] H. Oji, Nigeria's green bond market exceeds N55b as NGX targets more issuances, The Guardian (Lagos), December 15, 2021 https://guardian.ng/business-services/nigerias-green-bond-market-exceeds-n55b-as-ngx-targets-more-issuances/
[4] See, for example, S. Mojeed, Nigeria's first green bond-financed project falls flat with N30 million lost, Premium Times, September 13, 2021 https://www.premiumtimesng.com/news/headlines/484490-investigation-nigerias-first-green-bond-financed-project-falls-flat-with-n30-million-lost.html
[5] Policy Development Facility Phase II, Nigeria: Sovereign Green Bonds for Climate Action, UK Aid, London and Abuja, 2019
[6] For more on the current institutional framework, see Department of Climate Change, Green Bonds, Ministry of the Environment, Abuja, September 20, 2021 https://climatechange.gov.ng/2020/09/21/brief-on-green-bonds/
[7] O. Lala, Green Tagging Review and Climate Risk Management Systems for Banks, UNEP Inquiry and Climate Transitions Limited, Lagos, 2021
[8] Lala, Ibid, 2021

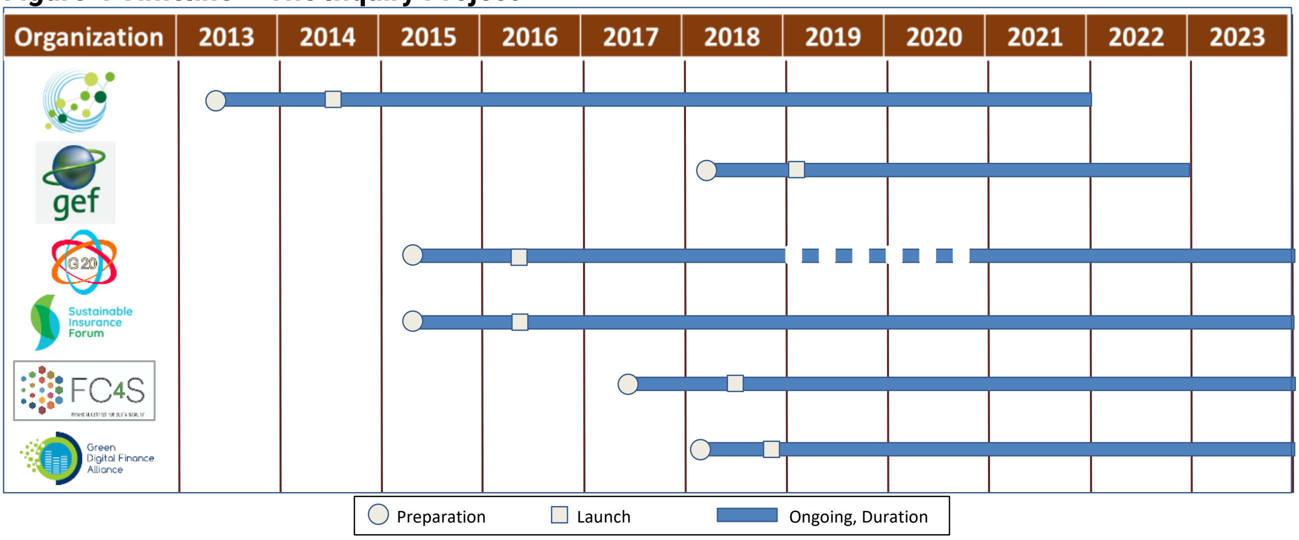
D. Project Implementation Structure and Partners

26. The Inquiry Project's original 2013 planning document called for a core project team to "provide high level strategic direction, reinforce the substantive aspects of the research agenda on sustainable finance, and support high level outreach and networking throughout the UN and financial markets communities." A leadership team comprising three Co-Directors (for research, strategy, and communications, respectively) was mandated to manage a small staff group. The initial project implementation framework also included a Project Steering Committee chaired by the UNEP Executive Director and including several director-level executives and a Project Manager within Inquiry's host

Division. To promote strategic engagement, the project was tasked to set up and report to an Advisory Council[12] and Consultative Forum,[13] the latter in partnership with UNEP-FI.

27. Figure 3 depicts a ten-year timeline for the Inquiry Project, from its design in 2013 to its completion in 2021 and the GEF project in 2022. The most generative periods of the project occurred during its initial phase in 2014-2015, which laid the analytic and policy groundwork for the work to follow, and 2016-2018, the second phase, which saw the launching of an array of new partnerships, platforms, reports, and tools as well as the approval of the GEF Project. The final phase, 2019-2021, primarily funded by the GEF Project, saw the migration and handover of networks, program activities and knowledge products to other UNEP units, notably GGKP, and to other partners, particularly UNDP.

Figure 4 Timeline – The Inquiry Project



Source: Authors, 2021

Case Profile 3: Sustainable Insurance Forum

From its inception, the Inquiry Project began working on sustainable finance and insurance regulation and supervision. Following consultations in 2015-2016 with the sector in both developed and emerging economies, Inquiry worked with a steering group of insurance regulators (from Brazil, France, The Netherlands, South Africa, the UK, and USA (California and Washington states)) to create and launch, in late 2016, the Sustainable Insurance Forum (SIF). The first of three global platforms incubated and spun off by the Inquiry Project, the Forum carries out research on emerging risks for insurance regulators, promotes knowledge-sharing on supervisory practices, facilitates senior-level policy engagement, and develops joint supervisory statements.[1]

Building on the expertise of its principals, early work by Inquiry concentrated on laying out the broad case for "harnessing insurance for sustainable development". Another stream of work has focused on climate-risk analysis. One of the Forum's most recent publications reports on the implementation of the Task Force for Climate-Related Financial Disclosures recommendations by insurance supervisors and regulators. SIF also supports the work of the International Financial Reporting Standards Foundation in the new Sustainable Finance Roadmap of the G20's Sustainable Finance Working Group.[2] SIF members are also interested in actionable research on the limits and potential of insurance-linked securities like catastrophe bonds, parametric insurance, and derivatives in advancing sustainable finance.[3]

[12] The Advisory Council was meant to include no more than 20 leaders from finance regulation, banking, and investment, as well as leading academics and related experts.
[13] The Consultative Forum was to be a forum for professionals in insurance, banking, and investment along with other related stakeholders.

SIF currently serves 33 members, including nine based in emerging or developing economies. The Forum is an observer at the Network for Greening the Financial System and a member of the informal working group of the Task Force on Nature-Related Financial Disclosures. With financial support from Sustainable Nation Ireland and the Climateworks Foundation, and, since 2020, secretariat administration by UNDP, the Forum has attracted a wide range of partners, including the International Association of Insurance Supervisors, the Bank for International Settlements, the Financial Stability Institute, NGFS and FC4S. UNEP-FI, which manages the Principles for Sustainable Insurance for commercial insurance providers worldwide, has been a key partner of SIF from the outset.[4]

[1] Sustainable Insurance Forum, Website, 2022 https://www.sustainableinsuranceforum.org/
[2] Social Insurance Forum, Implementation of TCFD Recommendations by Insurance Supervisors and Recommendations, UNDP, 2021 https://www.sustainableinsuranceforum.org/view_pdf.php?pdf_file=wp-content/uploads/2021/11/SIF-TCFD-Paper-1.pdf
[3] FC4S, Sustainable Finance Across Insurance Providers, UNDP, July 2021
[4] Sustainable Insurance Forum, Website, 2022 F

E. Changes in Design during Implementation

28. The project saw significant design, administrative and management changes in 2016 and 2019. In 2016, there was a consolidation of governance and coordination, directed by the UNEP Executive Director. This led to the disbanding of the externally led Advisory Council and Inquiry's internal Project Steering Committee, and the subsequent formation of a Steering Committee on Finance and Environment as well as an Inquiry Management Board. Other internal reporting structures followed from these changes. The second significant design change was the continuation of the Inquiry Project's work from 2019 to 2021 under financing through GEF Project 9775. After the project's original financing was closed off in 2019, its outstanding activities, supported by the GEF, were subject to new reporting guidelines.

29. Administrative arrangements supporting the Inquiry Project's implementation also changed several times. In terms of its various homes within UNEP, the Project operated under the project-management auspices of the Economy Division (2014-2016), Policy and Programme Division (2017-2019[14]) and then, once more, Economy Division (2019-2021), with seven senior UNEP officials serving as project managers during this period. In terms of its financial management, Inquiry was administered by five financial management officers in Economy Division (2014-2017) and Corporate Services (2017-2021). In addition, personnel for the project were primarily deployed through UNOPS in Geneva (2014-2017) and Nairobi (2017-2021). Particularly in the 2014-2018 period, Directors and key staff members operated extensively online from locations around the world, including Geneva, London, The Netherlands, Buenos Aires, and Mexico City. This decentralized team structure also meant Inquiry principals could rapidly engage in in-person dialogue onsite in these and other centers with key leaders and partners in sustainable finance regulation and supervision.

F. Project Financing

30. A budget of USD 3.95 M was identified for the Inquiry Project from 2014 to 2015, with an additional USD 504,000 earmarked in UNEP in-kind contributions. By Year 4 (2017), the Inquiry Project presented a revised budget of USD 14.1 M, with an additional USD 1.1 M in in-kind contributions. The approval of the GEF Project for the period 2019-2020 resulted

[14] The evaluation team notes that for a short period of time in 2019 the project was also managed out of UNEP's New York Office and that the original internal cooperation agreement for the GEF Project was signed between the Climate Change Mitigation Unit and the New York Office

in a further additional budget of USD 3.4 M, yielding a total revised budget of USD 16.2 M. In the GEF Project's Inception Report (June 2019), the allocation assigned was USD 3.65 M, of which USD 1 M was from the GEF grant and USD 2.6 M constituted co-financing in cash and in-kind.[15] By December 2021, USD 1.2 M was reported as expensed under the GEF Project, of which USD 565,117 in direct costs was expensed by the Inquiry Project team for Components 1 and 2.

31. Table 4 presents the multi-year, cumulative budget for the Inquiry Project. Between 2014 and 2020, the project raised funds from various sources and managed a budget of more than USD 16 M. This represented a considerable aggregation of resources for its mission of greening the global financial system and country-level national financial systems. Among the main donors for which the Inquiry Project prepared individual financial reports were Germany, Italy, Luxembourg, Norway and Switzerland, the United Kingdom, the GEF, UNDP, the UN Multi-Donor Trust Fund for the Environment, UNEP-FI, and the MAVA Foundation. Table 5 shows the annual budget and actual expenditures of the Project for the same period.

32. During its first two operational years (2014-2015), Inquiry budgeted at a level of about USD 2 M per year, then nearly doubled that to around USD 4 M annually in 2016 and 2017. Actual expenditures were aligned with budget allocations, remaining under the USD 4 M allocation (2014-2015) and ranging from USD 1 M to USD 5.1 M (2016-2018) during the project's peak activities. Cumulative expenditures under the GEF Project for Components 1 and 2 were significantly lower, capping at USD 565,117. Planned co-finance for Components 1 and 2 was USD 2,633,625, with actual16 expenditure reported at USD 1,141,931. Actual expenditure data are presented in Annex E.

[15] The GEF Project was approved with a total budget of USD 5.25 M, of which USD -2 M was GEF financing and USD 3.25 M was co-financing (USD 2.6 M from Inquiry; UNEP-FI, USD 611,375 – ETP-U).
[16] Figure reported as at 30 June 2021

Table 4: Multi-Year Budget of the Inquiry Project, 2014-2020*

Overall Budget	Amount
A: Previously approved planned budget (from the last version)	USD 15,293,359
B: Previously secured budget (from IMIS)	USD 15,293,359
C: Total change of secured budget [sum of (i)+(ii)+(iii)	-
i) Environment fund, UNEP	-
ii) Republic of Austria	-
iii) Law Division (CP funds)	-
D: Total revised secured budget (B+C)	USD 15,293,359
E: Unsecured budget (F-D)	-
F: New Total for proposed planned budget	USD 15,293,359
G: In Kind contributions – Previously Secured	USD 887,976
H: Revised total in kind secured contributions	USD 936,976
I: Total revised planned budget: Planned + In Kind (F+H)	USD 16,230,334

Source: UNEP, 2021 *This table excludes USD 1.4 M in GEF Project funds

Table 5: Annual Finances of the Inquiry Project and GEF Project, 2014-2021*

	Year 1 2014	Year 2 2015	Year 3 2016	Year 4 2017	Year 5 2018	Year 6 2019	Year 7 2020	Year 8 2021	Total
Budget	2,373,242	2,061,560	4,141,659	4,245,267	841,637	1,637,534	880,435	49,000	**16,230,334**
Actual	2,373,242	2,061,560	3,532,597	5,068,749	862,005	1,783,208	286,036	279,081	**16,246,478**

Source: UNEP, 2021 * This table excludes in-kind contributions from the GEF Project

V Theory of Change

33. **The Original Theory of Change:** Figure 4 summarizes, in diagrammatic form, the Inquiry Project's theory of change (TOC) at the project's inception.[17] Its goal—the ultimate impact sought by the project—was audacious, stated then as: "the financial system is fully aligned with the needs of sustainable development," and specifically with the real, green, and inclusive economy.[18] This was to be pursued by building "a coalition of evidence and momentum…. that makes the realization of the project goal possible." However, Inquiry proponents understood that achieving the goal would "require years of effort and implementation." The Inquiry Project developed an "agenda of action" comprising compelling evidence, a small core of recommendations, and multi-level, multi-country programming activities.

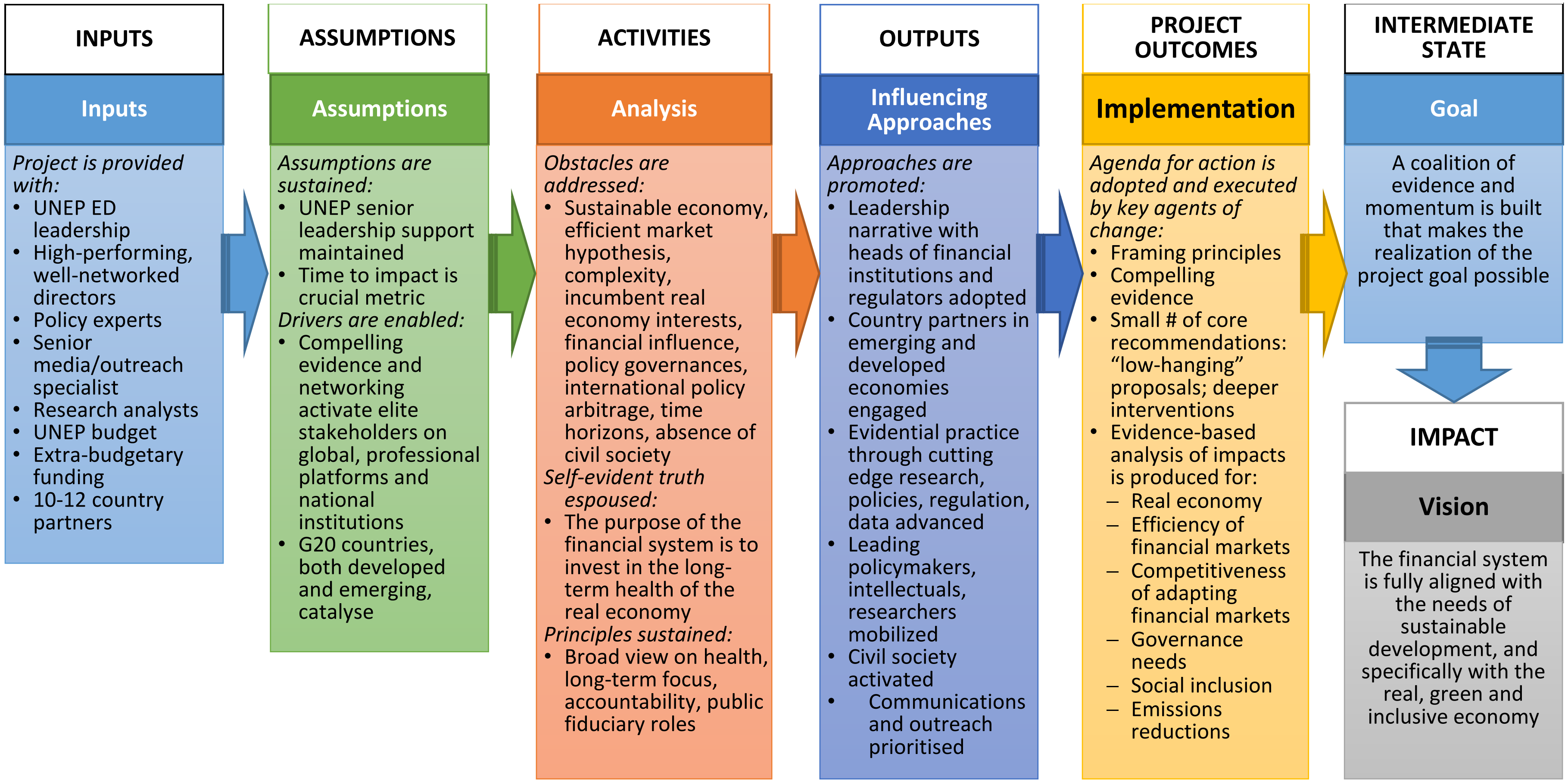
34. Seeking to influence international political, regulatory and policy leaders, the Inquiry Project aimed to generate a leadership narrative with institution heads; engage with both developed and emerging economies, emphasize evidentiary practice, mobilize policy intellectuals and researchers, and work with major civil society organizations. At the center of Inquiry's approach to persuading leaders of the value of greening the financial system was a core "self-evident truth" to be promoted in every project activity: "that the purpose of the financial system is to invest in the long-term health of the real economy." This self-evident truth entailed a broad view of system "health" that integrated environmental dimensions, an intergenerational time horizon, a commitment to system accountability, and the responsibility of key actors at all levels to sustain and perpetuate a green financial system.

35. In practice, as the project evolved, the TOC became somewhat narrower than the diagram might suggest. As one key interviewee put it: "Actually, Inquiry was about sustainable finance and by that we meant green finance. By green finance we meant finance that reduces carbon emissions. And by carbon we meant oil and gas and other hydrocarbon-intense industries."

36. At the national level, the Inquiry Project sought from the outset to recruit ten to 12 country partners. One iteration of this early TOC specified that "key emerging markets as much if not more than core developed economies need to be targeted with a focus on 'new generation' leadership and opportunities." This was to include *leading economies* in the global financial system, such as Hong Kong, Singapore, the United Kingdom, and the United States; *secondary developed economies*, including France, Germany, and Switzerland; *major emerging economies*, particularly Brazil, China, and India; and *secondary emerging economies*, like Indonesia and South Africa. Most of these countries are G20 members and several developed countries on this list—the UK, Germany, Italy—also became key extra-budgetary funders of the Inquiry Project. This representation of the Inquiry Project's TOC was prepared during this evaluations' inception stage, discussed widely during the data collection stage, and has been used to assess the Project's performance.

[17] This graphical depiction of the project's early theory of change draws on the narrative version 3 produced in 2014 and reproduced in the management-produced UNEP Inquiry Review, Dec 2019
[18] In UNEP's current strategy, this would be phrased as "the green *and inclusive* economy" (emphasis added)

Figure 6 Diagrammatic Representation of Theory of Change at Inquiry Project Inception



Source: Authors, 2021

37. Inquiry's documents described the project as "a shot in the arm" to UNEP's finance work and have highlighted its innovative approach and deliverables. Meant to be a time-bound, disruptive intervention, Inquiry operated with agility, flexibility, and relative autonomy both vertically—engaging leaders at the global, regional, and national levels—and horizontally, across platforms, sub-sectors, and issues. In discussions for this evaluation with UNEP representatives knowledgeable about the Inquiry Project, several other descriptors of the nature and role of the project arose, including disruptor, accelerator, incubator, pop-up think tank, and catalyst—and a project that "punched above its weight".

38. **The Inquiry Model:** Over time, the "Inquiry model" evolved and, through adaptive management and learning, added other elements. As one colleague noted, "We were building the plane as it was taking off." It wasn't until the project was into its third year, in 2016, that it began building out new platforms—that is, new networks that could not only extend its work, and leverage apex-level elite decision-makers (notably the G20), but also go deeper into key domain areas such as insurance (SIF), financial centres (FC4S) and, later, green digital finance (GDFA). In addition, the initial work on country roadmaps took shape in the 2016-2018 period. The next stages of that work were then supported in its six programming countries by the GEF Project during 2019-2021. The accompanying box summarizes this evaluation's understanding of the main elements of the Inquiry model.

Box 2: Core Elements of the Inquiry Model

- Audacious, systems-level goal and theory of change
- High-level executive support
- Respected, connected senior-level directors
- Building credible evidence through targeted new data and analysis
- Relentless, continuous strategic communications
- Good timing/first-mover advantages
- Apex-level elite networking and relationship building
- Levering change through public-sector regulation and supervision
- Vertical and horizontal agility and adaptive management and continuously asking: "What's next?"
- Commitment to authentic links to the real economy
- Animating alliances and mutual learning between developed and emerging economies
- Incubating spin-off platforms to reach higher and wider, go deeper, and sustain results
- Mobilization of in-house and external financial resources
- Closely knit staff team with distributed decision-making and remote coordination
- Migration to a new institution (UNDP) to host and nurture many follow-on activities

Source: Authors, 2022

Case Profile 4: *Sustainable Finance at the G20*

One of the most impactful work streams of the Inquiry Project involved the efforts of the Project to embed sustainable finance in the agenda of the G20. Several project leaders had prior experience and solid relationships in China and had a keen understanding of China's advanced policy-reform initiatives in green finance. In 2015, China requested that UNEP Inquiry serve as secretariat for the G20 Green Finance Study Group, which was officially launched in 2016 during China's G20 Presidency. Inquiry continued to support the Study Group through the G20 Presidencies of Germany in 2017 and Argentina in 2018. At the heart of the Study Group were co-chairs from the People's Bank of China and the Bank of England. Research by the Study Group identified and highlighted 60 green finance innovations by G20 members between 2016 and 2017. Almost all members were engaged in policy to enable the design and issuance of green bonds. More than half had established strategic policy signals and frameworks, while nearly half encouraged knowledge-sharing on environmental and financial risk.[1] One of the important and intentional aspects of this effort was to showcase for the advanced economies how much innovation in green finance was taking place in emerging markets, notably China, Brazil, India, Indonesia, and Mexico.

While subsequent G20 presidencies in 2017 and 2020 did not emphasize sustainable green finance, Italy'sG20 Presidency in 2021 saw the announcement of an upgraded Sustainable Finance Working Group. The group received input papers from Inquiry spin-off platforms FC4S and GDFA on tech-driven ESG firms by non-financial firms and digital ratings and metrics agencies,[2] and from UNEP-FI on credible net-zero commitments from financial institutions.[3] Co-chaired by China and the United States, and with UNDP serving as its secretariat, the Working Group published the G20 Sustainable Finance Roadmap,[4] which in turn was endorsed by representatives of the G20 Finance Ministers and Central Bank Governors' meeting in 2021.[5] Several Inquiry-affiliated organizations – notably UNEP, UNEP-FI, FC4S and SIF – were assigned multiple tasks for the implementation of the G20 Roadmap.

[1] UNEP Inquiry, UN Environment Inquiry Overview, Prepared for the Committee of Permanent Representatives, 2018
[2] FC4S and GDFA, Tech-Driven ESG Practices, Submission to the G20 Sustainable Finance Working Group, 2021
[3] UNEP-FI, High-Level Recommendations for Credible Net Zero Commitments from Financial Institutions, Geneva, 2021
[4] G20 Sustainable Finance Working Group, G20 Sustainable Finance Working Group, G20 Presidency of Italy, 2021
[5] Italian G20 Presidency, Fourth G20 Finance Ministers and Central Bank Governors' meeting, 13 October 2021

VI Evaluation Findings

A. Strategic Relevance

39. As an initiative with the personal and official support of its founding UNEP Executive Director (ED), the Inquiry Project was very relevant strategically when it was launched in 2014. It was also aligned with the emphasis of the UNEP Medium-Term Strategy (MTS) for 2014-2018, which emphasized capacity building and South-South cooperation, both key features of Inquiry's plans and eventual results. ED approval of the GEF Project in 2018 was consistent with the framing of the UNEP MTS for 2018-2021 by the SDGs and the Paris Accord, particularly through new partnerships for resource efficiency and mobilization and carbon-emission reductions. In 2021, as the Inquiry-GEF intervention period was concluding, the projects contributed to the role of UNEP as an enabler of financial and economic transformations at the global and country levels, including by promoting business models and markets for decarbonization, redirecting capital toward cleaner economic activities, and enhancing digital finance for sustainability, all underscored in UNEP's MTS for 2022-2025.

40. Among other multilateral bodies, the Inquiry agenda found early resonance with the G20 and G7. Moreover, the objectives and ways of working of both the Inquiry and GEF projects were aligned with key countries that were moving to reform their financial regulation and supervision to grow sustainable finance. These countries included, among the developed economies, EU member-countries, Germany, Italy, Luxembourg, Switzerland, and the United Kingdom, which all remained strong supporters of the Inquiry-GEF work throughout their combined lifecycle. Key emerging economies—notably Argentina, Bangladesh, Brazil, China, India, Mongolia, and Mexico—also expressed support for the Inquiry Project's mission. Other important organizations joined this effort as partners and funders, particularly the World Bank, Sustainable Nation Ireland, and UNDP.

41. The OECD defines coherence as "compatibility with other interventions in a country, sector, or institution.[19]" Overall, in its mission and the substance of its work, the Inquiry Project was very complementary internally within UNEP. It focused on advancing sustainable finance through public regulation by central banks and financial supervisory agencies, while UNEP-FI worked with banks and insurance companies in regulated industries and PAGE worked on broader green-economy issues. Moreover, the Inquiry Project was highly complementary externally. Particularly in 2014-2018, it filled a leadership gap in catalysing and building out the global sustainable finance eco-system. Inquiry worked in complementary ways with many other organizations, notably the Task Force on Climate-Related Financial Disclosure (TCFD) and the Network for Greening the Financial System, in building capacity and advancing the field. Its relationship with the IFC's Sustainable Banking and Finance Network was not fully developed, though some of Inquiry's country partners, for example Mongolia, worked effectively with both organizations. With its more country-level focus, the GEF Project has demonstrated strong coherence with the strategies and policies of its national partner organizations, which themselves have coordinated inputs from a variety of international partners, moderating the possibility of duplication of external contributions.

[19] For the OECD, coherence can be internal, with other interventions in the same institution, or external, with other interventions in the same context. "This includes complementarity, harmonisation and co-ordination with others, and the extent to which the intervention is adding value while avoiding duplication of effort," OECD, Better Criteria for Better Evaluation, Paris, 2019, p. 8 https://www.oecd.org/dac/evaluation/revised-evaluation-criteria-dec-2019.pdf

Case Profile 5: *Green Digital Finance Alliance*

The Inquiry team's experience in, and knowledge of, China facilitated, in 2018, the co-founding of the Green Digital Finance Alliance (GDFA) by UNEP and Ant Financial (now Ant Group), a Chinese leader in fintech affiliated with Alibaba, owner of Alipay, China's largest digital payments system. Inquiry described the new Alliance as "both the first platform looking at the greening of digital finance and the first around global public goods co-founded by a Chinese company."[1] In 2018-2019, the Inquiry Project incubated the GDFA while the latter sought approval as an independent, non-profit foundation, assisting with administration, website management, and research strategy. In 2019, Ant Financial was recognized with a UN Champions of the Earth Award for its gamified carbon-footprint tracker, Forest.[2] The users of this app earn points by making low-carbon lifestyle choices, which can ultimately trigger the planting of trees outside the game. In 2021, after five years of operation, Ant Forest announced it had "helped over 600 million users to plant more than 326 million trees" in some of the country's most arid regions.[3,4] Further, more than 100 international and Chinese brands are working with Ant Forest to promote low-carbon choices among their customers.

The GDFA aims "to leverage digital technologies and innovations to enhance financing for sustainable development" through research and analysis, networking among key players, and supporting country-level action.[5] The Alliance's advisory board benefits from longstanding, senior-level supporters of Inquiry's work who are based, respectively, in China, Kenya, the US, and several European countries. And GDFA's links to the European Climate Foundation and MAVA Foundation, again credited to Inquiry principals, have also been an important asset. Oceans and biodiversity are major themes in GDFA's programming. At the country level, among emerging economies, Mongolia and Kazakhstan have made notable progress on digital sustainable finance. The Forest app has been adapted in the Philippines. Looking ahead, the Alliance may engage with other leading-edge issues, such as central bank digital currencies or training for women finance professionals in sustainable fintech strategies. GDFA has begun a conversation with UNEP-FI about potentially assisting members of FI's bankers' network to better understand the role, nature, and potential of fintech in growing and targeting sustainable finance.

[1] Inquiry, UN Environment Inquiry: Overview, Prepared for the Committee of Permanent Representatives, Geneva, 2018, p. 10
[2] UNEP, Chinese Initiative Ant Forest Wins UN Champions of the Earth Award, September 19, 2019 https://www.unep.org/news-and-stories/press-release/chinese-initiative-ant-forest-wins-un-champions-earth-award
[3] Bloomberg, Over 600 Million People Planted More Than 326 Million Trees via Alipay Ant Forest in Five Years, August 25, 2021 https://www.bloomberg.com/press-releases/2021-08-25/over-600-million-people-planted-more-than-326-million-trees-via-alipay-ant-forest-in-five-years
[4] Ant Forest is also working to confirm its results on the ground to address scepticism on social media; see, for example, Ding Yining, We are growing! Online criticism of tree-planting scheme refuted by Ant Group, Shine, September 14, 2021 https://www.shine.cn/biz/tech/2109145010/; a general question is the extent that new shopping spurred by the game has a net negative or positive effect on the environment
[5] Green Digital Finance Alliance, Website, Copenhagen https://greendigitalfinancealliance.org/sustainable-digital-finance/

B. Quality of Project Design

42. The design of the Inquiry Project in 2013 was ambitious and aimed at systems change at the global and country levels. It was meant to support an outward-facing, agile and mobile programming instrument that could engage partners' resources flexibly and opportunistically. The project's focus on promoting the "self-evident truth" that sustainable finance can strengthen the real economy, and its use of elite (or apex) networking; central financial regulation and supervision; South-North and South-South learning; new-data production; and continuous communications, among other design features, proved to be fit-for-purpose. The project also soon adopted the additional tool of new-platform creation (e.g., G20 Study Group, SIF, etc.). However, the project design did not substantively integrate human rights monitoring instruments, such as a systematic approach to gender[20] equality and women's empowerment, or in-depth attention to vulnerable countries or communities. More problematic, it turned out, was the Inquiry's inadequate fit with, and unclear connection into, UNEP's mainstream programmatic and administrative systems. The PIMS[21] monitoring and reporting framework was adequate to the project's needs, but there were

[20] In UNEP's 2010-2013 MTS the institution committed to "the integration of gender equality and equity in all its policies, programmes and projects and within its institutional structures".
[21] PIMS is UNEP's internal Project Information Management System.

inconsistencies and incompleteness in the project's PIMS reporting, with heavier focus placed on reporting on milestones rather than achieving established key performance indicators (KPIs).

43. For its part, the GEF Project was designed about four years later within the framework of ongoing GEF-UNEP cooperation and thus was more integrated, by definition, with mainstream UNEP systems. The GEF Project design also provided for an explicit commitment to gender equality and greater attention in general to inclusion. Further, appropriately, the GEF Project design put country ownership of national roadmap development and implementation at its center; Inquiry had begun this effort with eight other countries. At the same time, though, the GEF Project's modest expenditures for country level work (an average of USD 49,000 per country for direct costs for national consultants) have constrained the project's role as a leading external partner, often limiting it to contributing as one among several other international partners. In addition, the co-financing element of the GEF Project design was appropriate. However, the UNEP side has not yet been able to meet its co-financing requirements during implementation.

44. The original planners and early managers of the Inquiry Project understood that the design of the project was a disruptive business model that came with trade-offs, and that they would have to manage those trade-offs. They realized that, in exchange for speed and systems-level impact, the model could also spark resistance by those who administer the mainstream system and operating standards. In fact, both impact and resistance occurred. Research suggests[22] that the most positive outcomes of disruptive business models—that is, the greatest innovation and value addition—transpire when the host organization itself is restructured to embrace and integrate these changes in ways of working. In this case, this broader organizational change process did not occur. As time progressed, tensions between Inquiry and Economy Division eroded internal support for Inquiry within UNEP and the desire by Inquiry team members to seek a permanent home in the Agency. Some senior leaders in UNEP tried to bridge this gap, but it proved very difficult to do so. Any replication of the disruptive approach through an adaptation of the Inquiry model to other issues would, at the very least, need to find a way to balance these dynamics and create a smooth on-ramp for innovative products and processes in UNEP. Disruption research suggests that if a broader organizational restructuring of UNEP aligned with the disruptive model were to accompany the initiative, even more significant results could be achieved.

[22] G. S. Schiavi and A. Behr, Emerging technologies and new business models: a review on disruptive business models, Innovation and Management Review, 15(10 2018 https://www.emerald.com/insight/content/doi/10.1108/INMR-03-2018-0013/full/html; and C. M. Christensen, M. E. Raynor and R. McDonald, What is Disruptive Innovation? Harvard Business Review, December 2015 https://hbr.org/2015/12/what-is-disruptive-innovation

Case Profile 6: *Kenya*

A longstanding pioneer in investment and trade in Central and East Africa, Kenya was also an innovator in mobile banking, being home to the 2007 launch of mobile money service M-PESA, currently with 50 million customers,[1] and, in 2011, M-KOPA, an asset financing platform for solar products.[2] Supported by UNEP-FI, Kenya has trained members of the Kenya Bankers Association (KBA) and formed a Sustainable Finance Initiative (SFI) Working Group. In 2014, with the launch and full operation of the Inquiry Project, the Governor of the Bank of Kenya joined its advisory group and played an active role in its programming. In 2015 KBA adopted the Sustainable Finance Guiding Principles, aiming to harmonize global and regional standards,[3] although the KBA had interacted with UNEP earlier, in 2013. Also, that year Kenya's approaches to fostering green resilience and green growth were highlighted by the Inquiry Project and IFC, whose joint report recommended the formation of a working group to enhance collaboration among government, regulators, and other financial actors[4]. Between 2014 and 2018, the Inquiry Project worked with Kenya's banking association and central bank to identify correlations between mobile banking innovations and green financing under a national roadmap.[5] In 2019, a new Bank of Kenya Governor was appointed and he, too, took a strong interest in Inquiry's work. A well-networked central banker in Africa, with ties to the Financial Stability Board and other key bodies, the current Governor also sits on the advisory board of the Green Digital Finance Alliance.[6]

Kenyan partners report they benefited greatly from the convening, networking and data sources developed and shared by Inquiry, appreciating its "scientific approach, wide worldview and attention to local context." The Inquiry Project was viewed as fit for purpose and its leaders also provided mentoring for Kenyan champions. Indeed, as one interviewee put it, "we were leveraging off each other." The Inquiry also helped to facilitate the dissemination of Kenya's sustainable finance principles and models to Tanzania, Ghana and elsewhere. Looking ahead, and building on Kenya's strong tradition of financial inclusion, one important priority is to find ways of recognizing the contributions of women leaders in the sector, including in sustainable finance.

[1] Vodaphone M-PESA, Website, 2022 https://www.vodafone.com/about-vodafone/what-we-do/consumer-products-and-services/m-pesa
[2] M-KOPA, Website, 2022 https://m-kopa.com/
[3] Among the partners supporting the development of the Guiding Principles were FMO, DEG, IFC and UNEP-FI; see Kenya Bankers Association, Banking Industry Adopts Sustainable Finance Guiding Principles and Industrywide Standards to Promote Inclusive Growth Agenda, Nairobi, March 31, 2015 https://www.kba.co.ke/news32.php
[4] UNEP Inquiry and International Finance Corporation, Aligning Kenya's Financial System with Inclusive Green Investment, 2015
[5] UNEP Inquiry: Design of a Sustainable Financial System, Making Waves – Aligning the Financial System with Sustainable Development, 2018; and Kenya Bankers Association. 2020 Report on the State of Sustainable Finance in Kenya's Banking Industry, 2020 https://sfi.kba.co.ke/images/State_of_Sustainable_Finance_in_Kenya's_Banking_Industry_Report.pdf
[6] See Green Digital Finance Alliance, Advisory Board Members, Copenhagen, 2022 https://greendigitalfinancealliance.org/about-gdfa/

C. Nature of the External Context

45. Overall, the external context within which the projects operated in the full 2014-2021 period can be judged in terms of the evaluation criteria as favourable, but for different reasons for each initiative. For the Inquiry Project, much momentum in both the public and private spheres was building in the field of sustainable finance from 2014 through 2018, as seen in the growth of green bonds, the widening adoption of climate-related disclosure led by TCFD, and the mainstreaming of ESG investing, together with the influence of the 2030 Agenda and the Paris Agreement. Broadly speaking, in the western world at least, the framing of this space moved from the narrower concept of *green finance* to the more inclusive concept of *sustainable* finance.[23] Interestingly, in its G20 work, Inquiry was pushed to focus more on green finance, perhaps influenced by China's framing and what was politically feasible across member countries.[24] During the period of the GEF Project, since 2019, sustainable finance has generally been mainstreamed and understanding of its value was much greater at both the global and country levels. Both sets of conditions facilitated project gains.

[23] This shift appears not to have occurred in China, where green finance remains the more prevalent concept
[24] The evaluation did not have the time or resources to explore this issue further

46. However, the projects did, in fact, experience contextual adversity. The 2016 presidential election in the US altered the prospects and strategy of the G20 on green finance. Similarly, presidential rotations in political cycles in Mexico (2018), Brazil (2019) and Kazakhstan (2019) changed the policy environment in those countries and required adjustments from country partners and project staff. In addition, in 2020-2021, regulatory changes in China constrained the growth prospects of online non-bank financial services firms like Ant. Also in 2020-2021, the GEF Project was obliged to adjust to the challenges posed by the COVID-19 pandemic. Some delays in project implementation were encountered in 2020, though these were mitigated by greater reliance on country-based staff members and consultants. In-person group meetings and participation in key partner events were most affected by meeting cancellations or postponements in late beginning in early 2020[25] and staffing shortages and changes in donor agencies' national partner organizations. Despite these challenges, however, the project was able to pivot and adapt to a more virtual implementation model and saw increased productivity in project deliverables in 2021. The virtual approach, managing varying time-zone considerations, also sparked new ways of engaging partners and stakeholders, while reducing the costs of air travel and meeting facilities.

Case Profile 7: *Mexico*

With the 15th largest economy in the world, and membership in the G20, Mexico was an important partner of Inquiry, both benefiting from, and adding value to, the project. An active member of the G20 Sustainable Finance Study Group from 2016 to 2018, the Banco de Mexico, the country's central bank, supported the restarting of the Working Group under the Italian presidency in 2021.[1] The Bank was led by a Governor who was a global champion of sustainable finance and climate-risk reporting, and, in late 2017, co-founded the Network for Greening the Financial System with Banque de France, the Bank of England and the People's Bank of China, as well as four other peer institutions.[2] By 2019, the Inquiry was providing technical assistance to Banco Mexico to prepare a report on the implications of climate change for financial stability and in conducting research on the extent to which Mexican financial institutions consider environmental factors in their decision making.[3]

Entitled "Climate and environmental risks and opportunities in Mexico's financial system: From diagnosis to action," and supported by both UNEP and UNDP, the 2020 report of the findings of this research pointed to, among other things, the importance of standardized methodologies and criteria in the evaluation of environmental and social risks.[4] Other recommendations arising from the study called for financial chief executives to adopt the TCFD climate-related financial disclosure guidelines, establish capacities across the entire organization to analyse environmental and social risks and opportunities, and include material ESG considerations in reporting on the organization's performance targets. This work is being carried forward by the multi-stakeholder Sustainable Finance Committee of Mexico's Financial Stability Board, with Banco de Mexico as secretariat, through working groups on taxonomy (based on the SDGs), ESG risk integration, capital mobilization, and ESG disclosures.[5] FC4S, UNDP, UNEP-GEF, and Banco de Mexico are providing support to the next steps in this work.

[1] The G20 presidencies of Japan (2019) and Saudi Arabia (2020) did not place a priority on sustainable finance and consequently there was no Sustainable Finance Study Group during those years

[2] Banque de France, Joint statement by the Founding Members of the Central Banks and Supervisors Network for Greening the Financial System, Paris, December 12, 2017 https://www.banque-france.fr/sites/default/files/medias/documents/joint_statement_-_greening_the_financial_system_-_final.pdf

[3] Inquiry project, UNEP Inquiry Review-December 2019, Geneva, 2019

[4] This research surveyed 60 Mexican financial institutions accounting for 90% of the credit portfolio of banks, 80% of securities assets reported by fund managers, and 90% of assets managed by retirement funds; see UNDP, Mexico's central bank, UNEP and UNDP call on financial sector to plan for environmental risks, New York, May 19, 2020 https://www.undp.org/press-releases/mexicos-central-bank-unep-and-undp-call-financial-sector-plan-environmental-risks

[5] P. Moles, Climate and environmental risks and opportunities for the Mexican Financial System, Presented to the GEF PSC Meeting, November 15, 2021

[25] The first death attributed to Covid-19 was reported in Wuhan City in China in January 2020

D. Effectiveness

47. In assessing the effectiveness of the Inquiry Project and the GEF Project, a crucial distinction involves identifying results that can be attributed primarily to the actions of the projects as opposed to results to which the projects contributed along with other organizations. The other important requirement in assessing effectiveness is to examine evidence that is objectively verifiable, and which can be triangulated across multiple sources, particularly documentation, interviews, and the case profiles. For their part, the profiles offer a clearer line of sight into the various leadership and direct catalytic roles played by the projects assessed here.

48. There were several aspects of the application of the project model that limited its effectiveness. These factors included: lack of clear on-ramp into mainstream programming of UNEP, the project's host institution; tensions with host-agency's programmatic units and administrative systems; lack of a comprehensive gender equality strategy; insufficient attention to the needs of highly vulnerable groups, particularly SIDS and coastal communities more generally; and an over-reliance on Northern-based grant recipients, especially among networks and universities.

49. One important dimension worthy of note is time, both in terms of project duration and the timing of the action. First, taken as a whole, from inception and design in 2013 to 2022, the final year of the GEF Project, the Inquiry-GEF interventions spanned roughly a decade. Although Inquiry was first conceived as a two-year initiative, its longer timeframe permitted it to generate significant results, important innovations, and diverse pathways for the sustainability of its results. At the same time, this extended timeframe also led to increased stakeholder expectations and a wider demand for niched programming that addressed national or regional priorities. Second, there is the issue of timing. Several interviewees observed that "Inquiry's timing was excellent", permitting it to fill a leadership vacuum in the emerging field of sustainable finance and generate decisive outcomes in strategically important spaces at both the global and country levels.

50. **Availability of Outputs:** Using a chronological narrative approach, in conjunction with the Inquiry's TOC and work-plans, it was possible for the evaluation to trace an 'action and response' trail between some of Inquiry's outputs (namely identifiable events, reports and tools), and the public dialogue among key agents of change.

51. During the period 2014-2018, the Inquiry Project mobilized an array of events—conferences, panels, briefings, even dinners—that proved to be especially influential in raising awareness about sustainable finance and activating high-level decision-makers, especially central bankers, and financial supervisors. In terms of events, interviewees close to the Inquiry pointed to three especially catalytic examples: an invitation-only, elite-level dinner alongside the 2015 Davos meeting; the first session of the G20 Sustainable Finance Study Group in Beijing in 2016; and a presentation on greening the financial system at the World Bank in 2017. In these and many other events, Inquiry's leadership roles, and thus attribution for tangible results to the Project, are clear enough. This catalytic role was enabled by Inquiry's apex-level elite networking, new-evidence-production (research often produced by university

and think tank partners recruited at little or no cost), and the project's agility, responsiveness, and opportunistic mode of operation.

52. Another set of outputs attributable to the Inquiry Project were its reports. Table 6 lists some of its major reports. There was a consensus among interviewees inside and outside the Inquiry team that its first two system-level reports in 2015 and 2016, both entitled The Financial System We Need, were especially influential in raising awareness, activating regulators, and laying the groundwork for new policy measures. Other reports highlighted by interviewees as significant include the Global Sustainable Finance Roadmap (2017) with the World Bank, and Inquiry's Making Waves report (2018) with Bloomberg Philanthropies and other partners. The influence of these reports can be traced through subsequent statements, policies, and actions by multilateral bodies, and by the central banks and national ministries of finance and environment in partner countries of the Inquiry and elsewhere.

53. In addition, Inquiry generated several tools—including the Diagnostic Toolkit for Roadmaps for countries (2018) applied by UNDP's Arab States Region; the Green Finance Measures Database (2019) for the sustainable finance sector as a whole; and the Nudging the System Network Analysis Tool (2020) with FC4S—that have been widely utilized by partners. At the country level, Inquiry support through the Climate Bonds Initiative was reported to be decisive in enabling Nigeria to launch its first, and Sub-Saharan Africa's first, sovereign green bond in 2017. More broadly, in 2020-2021, GEF Project support was combined with other internal and external inputs to facilitate the project's six programming partner countries to finalize their roadmaps and carry out future-facing research studies. Ultimately, through its various strategies and work streams, the Inquiry Project's generation of meetings and reports, and consequent influence and results during 2014-2018, far exceeded the original output targets set for the project in its initial years. The evaluation confirmed Inquiry's direct and/or partnered preparation of more than 75 key documents in this period, constituting a remarkable record of productivity. In addition, by late 2021, the GEF Project was able to submit a full set of roadmaps from its six country partners.

Table 6: Major Reports Produced by the Inquiry Project and the GEF Project

	Report Title	Partner	Year
1	Establishing China's Green Financial System	China - Green Finance Task Force	2014
2	The Financial System We Need	-	2015
3	The Financial System We Need, 2nd Edition	-	2016
4	Fintech and Sustainable Development: Assessing the Implications	-	2016
5	Human Rights and Sustainable Finance	Institute for Human Rights and Business	2016
6	China Green Finance Program Progress Report	People's Bank of China	2017
7	Roadmap for a Sustainable Financial System	World Bank Group	2017
8	Financing the 2030 Agenda	UNGA	2017
9	Greening the Financial System: Competitiveness	-	2017
10	Environmental Risk Analysis	G20, BoE, Cambridge	2017
11	Financing Climate Futures: Rethinking Infrastructure	OECD, World Bank	
12	Diagnostic Toolkit for Roadmaps	UNDP Arab States Region	2018
13	Climate Change and the Cost of Capital in Developing Countries	Imperial College, SOAS	2018
14	Greening the Rules of the Game	-	2018
15	Making Waves: Financial Systems and Sustainable Development	Bloomberg Philanthropies, IIF, Paulson, other partners	2018
16	European Union Roadmap	European Union	2018
17	Shifting Gears	FC4S	2019
18	Green Finance Measures Database	COP Madrid	2019
19	Sustainable Finance Progress Report	-	2019
20	Inquiry Review Report	-	2019
21	Nudging the System: Network Analysis Tool	FC4S	2020
22	China Roadmap, Tagging Study	China	2021
23	India Study on Green MSMEs	India	2021
24	Nigeria Roadmap, Tagging Study	Nigeria	2021
25	Mexico Roadmap and Finance Sector Study	Mexico	2021
26	Mongolia Roadmap	Mongolia	2021
27	Kazakhstan Roadmap	Kazakhstan	2021
28	Sustainable Finance Across Insurance Providers-Deck	FC4S, SIF	2021

Source: Inquiry Project, 2021

54. **Achievement of Project Outcomes:** Using an outcome mapping and analysis approach, it was possible for the evaluation team to identify and verify several causal pathways between the projects' outputs and new or altered behaviour patterns among the targeted audiences and in key decision-making arenas. These pathways drew on UNEP's political convening power, strategies to mainstream sustainable finance into global/sectoral discourses, and the creation of new, specialized international platforms. The adoption and execution of these actions are reflected in an evident increase in policy measures to which the projects have contributed.

55. The original theory of change for the Inquiry Project stated the following as its prime expected outcome: "Agenda for action is adopted and executed by key agents of change," undergirded by framing principles; compelling evidence; a small number of core recommendations leading to deeper interventions; evidence-based analysis of impacts produced for the real economy; market efficiency and competitiveness; governance and

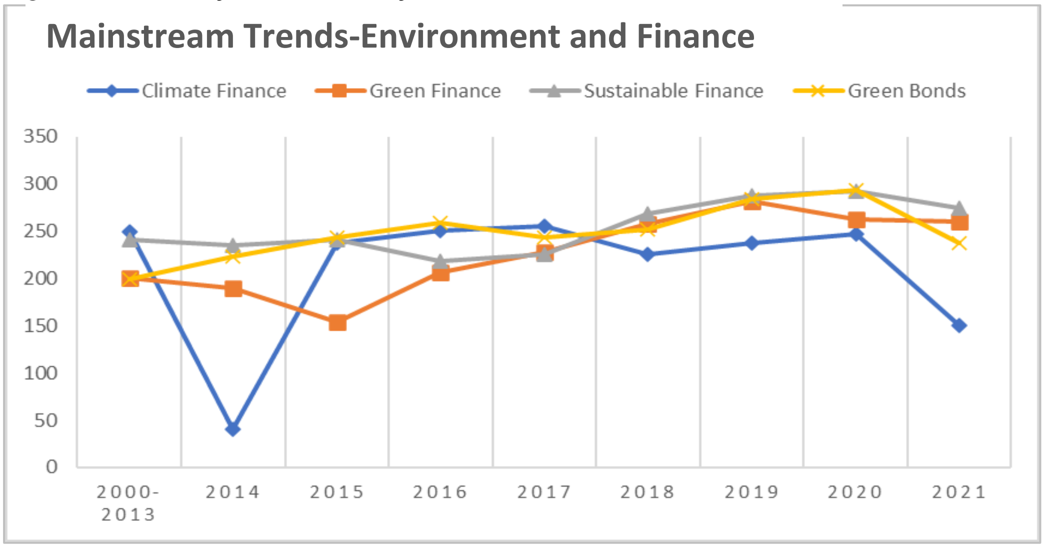
social inclusion; and emission reductions. As for Components 1 and 2 of the GEF Project, their combined project objective was stated as: “Build international consensus to align financial systems with the Sustainable Development Goals and catalyse national regulatory actions”. Key outcome indicators for the GEF Project include the volume of investment stemming directly from national roadmap recommendations and the direct quantum of emissions mitigated through roadmap implementation.

56. “Everything that is now moving was identified during the Inquiry Project.” This paraphrases a sentiment expressed frequently by interviewees, including Inquiry principals, UNEP colleagues and country partners, and referring especially to the early years of the 2014-2018 period. Moreover, most interviewees confirmed that Inquiry’s hosting by UNEP—widely perceived as a non-threatening, neutral actor in finance—conferred important convening power on the project. Using this **convening power**, Inquiry played an activist, leadership role in bringing structure and a shared language to the broad field of green and sustainable finance globally and in key countries. In one external interviewee’s words, the Inquiry Project was able to “unearth, elevate, legitimize and authenticate” what was happening at the time and what was required to effectively green the financial system. Indeed, Inquiry’s widely perceived, systems-wide successes resulted in project extensions in 2016 and 2018.

57. Over the past decade, and particularly in the past five years, the **discourse** of sustainable and green finance has been mainstreamed. The Inquiry and GEF projects have clearly contributed to that achievement. As of early 2022, an online search yielded a large number of hits for the terms ‘climate finance’ (810 million), ‘green finance’ (1.9 *billion*), ‘green bonds’ (198 million), ‘sustainable finance’[26] (625 million), and the abbreviation ‘ESG’ (159 billion). Figure 5 shows the more specific dataset of the visibility of these terms in online news reports. These data show the four terms (minus ESG) generally tracking each other, with some fluctuations, over the period 2014-2021, during the operational years of the Inquiry and GEF projects. Indeed, all the actors in both the state and market involved in promoting and working in the green/sustainable finance system, including the projects reviewed here, elevated the visibility of these terms in news stories to that of the combined number of mentions for the whole period of 2000 to 2013—and maintained it at that level each year from 2014 through 2021. Interestingly, by the end of the period, sustainable finance and green finance were attracting the greatest visibility in news reports, perhaps in part the consequence of activity by UN and multilateral agencies, including UNEP and UNDP, in the case of sustainable finance, and by China and green-bond markets in the case of the green finance.

[26] This Google search was conducted on March 2, 2022 by the authors; one possibility to explain the very high numbers for green finance is that this is the term most popularly used and disseminated in China, though verifying this explanation would require further study

Figure 7 Visibility Trends Analysis



Source: Google.com News 2000 – 2021

58. One of the most direct sources of evidence for the Inquiry Project's achievement of outcomes is Inquiry's catalysing and stewardship of the four new international **platforms** for building a greener financial system: the G20 SFSG, SIF, FC4S and GDFA. Their establishment constituted a significant building out of the global sustainable finance ecosystem—systems-level outcomes directly attributable to the actions and leadership of the Inquiry Project. Since their launches, all these networks have increased their respective memberships; deepened their research; animated peer learning; and continued production of more focused and refined model policies, guidelines, and tools. Framed by the SDGs and Paris Accord and building on recommendations of the Taskforce on Climate-Related Financial Disclosure (TCFD) and the deliberations of COP26, the platforms, now supported by UNDP, are navigating forward, addressing next-generation issues with intelligence and verve.

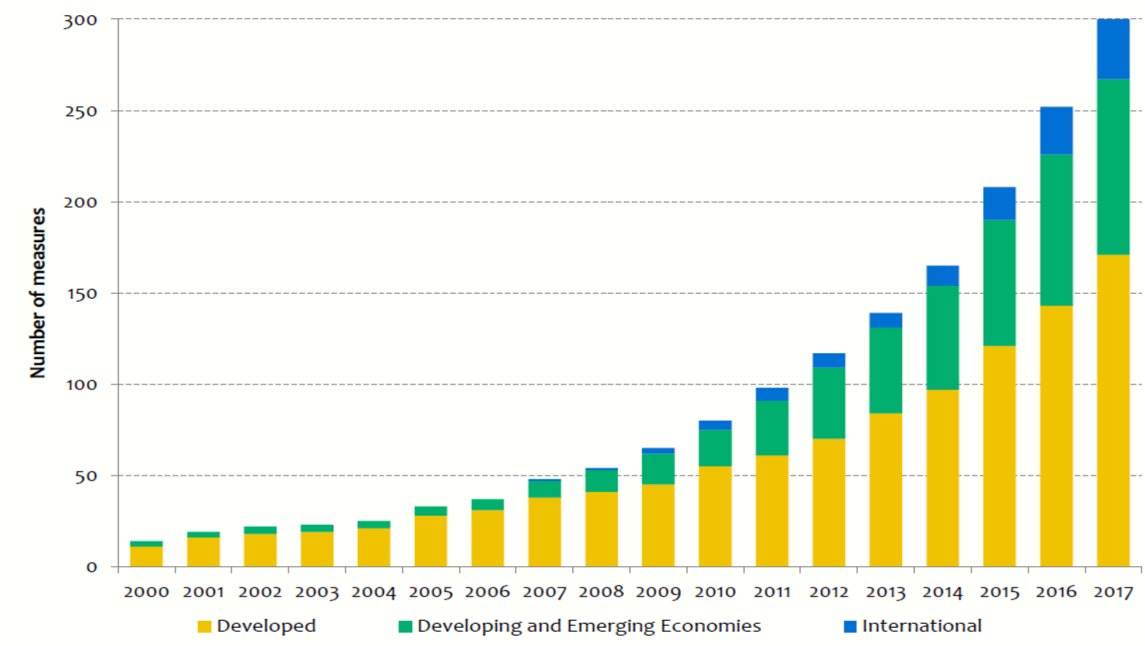
59. Of course, the further away in time from the Inquiry Project's initial work to create and launch these platforms, the less their various outcomes can be attributed solely and directly to Inquiry. But, by 2018, the Inquiry Project had enabled the start-up of their ongoing operations. It is clear that these agents of change—the leaders, staff, volunteers, and funders of these new platforms catalysed by Inquiry—had adopted and were executing the agenda for greening the financial system and were actively contributing to the consensus to align the financial system with the SDGs. There is also little doubt that in combination with the GEF project work at the country level, and the work of Network for Greening the Financial System (NFGS), IFC and UNDP, these platforms, especially via the G20 and FC4S, have also catalysed consequential national level regulatory actions.[27]

60. Another important line of evidence of the achievement of outcomes by the Inquiry and GEF projects relates to the increase in **policy measures** globally and at the country level over the 2014-2021 period. One source of data here is Inquiry's own Green Financial Measures Database now managed by GGKP. While this dataset is somewhat biased towards Inquiry's

[27] Regarding the restarting of the G20 Sustainable Finance Working (not Study) Group, it is interesting to note the important roles played by former Inquiry staff, particularly Marcos Mancini and other UNDP specialists, and Italy, a long-time, substantial funder and ally of the Inquiry Project

own partners' policy and regulatory efforts, the directionality and pattern of growth are unequivocal. As Figures 6 and 7 show clearly, the increase in policy and regulatory measures in green and sustainable finance worldwide has gone from no more than 25 such measures in the year 2000 to, cumulatively, almost 700 policies, regulations, and guidelines twenty years later. Figure 6 depicts the impressive growth in green financial measures that occurred from 2015, when the database identified less than 200 measures, to 2021, when the number of green financial policies had grown by 364%. And, while the EU, China and TCFD played key roles, both the Inquiry and GEF projects contributed in significant ways to enabling this accelerated growth in green financial policies, regulations, reporting requirements and other forms of guidance.[28]

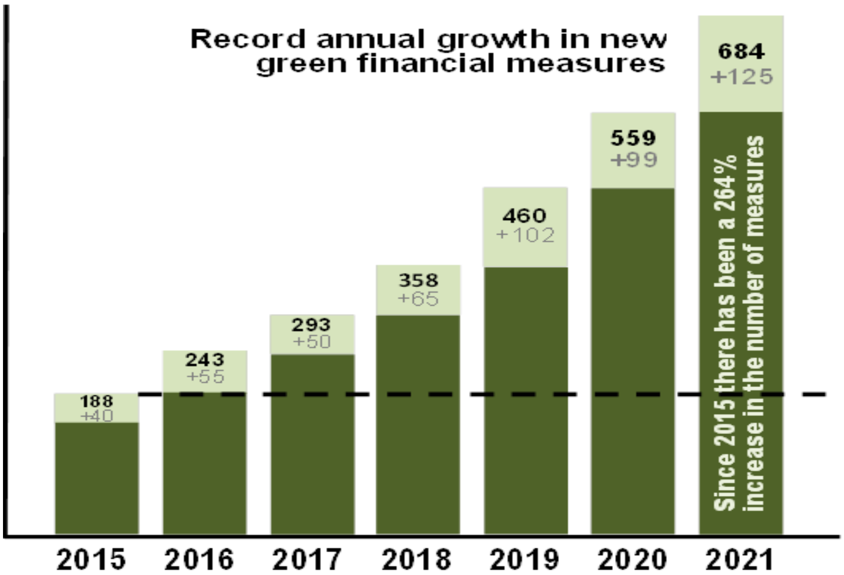
Figure 8 Policy and Regulatory Measures, 2000-2017



Source: UNEP Inquiry, 2018

[28] Not only did Inquiry and the GEF Project influence and support new policies and initiatives in key countries--e.g., sovereign green bonds in Nigeria; a new finance-wide sector organisation in Mexico--but promoted learning and disseminated new policies and regulations on climate-related financial disclosure, insurance financial centers, green digital finance through the G20, G7, World Bank, SIF, FC4S and GDFA, among other platforms

Figure 9 Annual Growth in Financial Measures



Source: UNEP GGKP, 2022

61. **Unexpected and Unintended Results:** The experience of the Inquiry Project was replete with **unexpected results** at both the output and outcome levels. Many meetings and reports were unplanned, but the project was able to identify and exploit unanticipated opportunities yielded by their strategic networking and research efforts. These unexpected outputs, in turn, led to or informed the refinement of policy guidelines and research to inform country priorities. One report that was not originally planned, for example, was the 2016 working paper on human rights and sustainable finance prepared with the London-based Institute for Human Rights and Business, which was based on a series of expert consultations. Inquiry's ability to identify this need and opportunity and pivot quickly to partner with the Institute illustrates many other such initiatives at the output level. At the outcome level, the creation and incubation of the four international platforms was not explicitly part of the original project design. And at the level of the Inquiry Project as a whole, project extensions in 2016 and 2018 (via GEF funding) were also not expected. Inquiry's adaptive management model proved to be very useful in both generating and capitalizing on these unexpected opportunities.

62. In terms of **unintended results**, Inquiry's strategic focus on international networks and processes and core partnerships with developed countries such as the UK, Germany, and Switzerland, and larger emerging economies like Brazil, China, and India, resulted in part in less space and voice in the project for climate-vulnerable and low-income countries, particularly small island developing states,[29] and marginalized groups such as women and indigenous communities. This was also a consequence of the Inquiry Project, in practice, concentrating more on green finance and emission-reductions than on the social dimensions of sustainable development as defined by the SDGs. Later work by the Inquiry and GEF projects and the international platforms under UNDP support adopted a more SDG-informed concept of sustainable finance. At the level of the sustainable finance field at large, several interviewees confirmed that one unintended consequence appears to be a higher

[29] While feedback from Inquiry staff indicated that attempts were made to engage Fiji, Jamaica, and Mauritius, a systematic SIDS-focused approach was not built into the work plans or milestones of the Inquiry Project

(and perhaps truer) cost of capital that prices in climate risk and ESG reporting, which can be onerous for both public and private actors in developing economies.[30] While the integration of climate-risk and ESG factors represents an important advance for sustainable finance, it needs to be recognized that this gain, in turn, may impose new costs on governments and private actors in a fiscally tight, post-pandemic era.

63. **Likelihood of Impact:** A final consideration in determining the effectiveness of the projects examined here involves an assessment of the likelihood of their impact. The original theory of change of the Inquiry Project articulated the intermediate state it sought as: "A coalition of evidence and momentum is built that makes the realization of the project goal possible." The Inquiry's vision of impact read as follows: "The financial system is fully aligned with the needs of sustainable development, and specifically with the real, green and inclusive economy." The Inquiry Project's 2019 restatement of its goal was stated as: "Public, private and financial sector increasingly adopt sustainable finance principles, process and frameworks." The GEF Project's overall objective for Components 1 and 2 was set out as to: "Build international consensus to align financial systems with the Sustainable Development Goals and catalyse national regulatory actions." While these are all ambitious impact statements, a case can be made that the achievement of impact by the projects, is in fact, likely.

64. Part of the case for the likelihood of impact relates to the assumptions in Inquiry's original theory of change. One involves time. Several extensions to the project provided it with additional time for its team and partners to generate more meaningful and lasting results. The original TOC assumption was phrased as "time to impact is crucial metric." The experience of the Inquiry-GEF interventions showed that even although bold, rapid activities can trigger innovation and momentum at high levels, ambitious goals still need longer timeframes to be realized. Furthermore, two drivers in the TOC were also proven to be valid and important. *First*, compelling evidence and networking did, in fact, activate elite stakeholders on global, professional platforms and national institutions. And *second*, G20 countries, both developed and emerging, did catalyse change. In this sense, the assumptions in the Inquiry TOC not only proved to be valid—they were central to the projects' success.

65. Another part of the case for the likelihood of impact relates to the general **mainstreaming** of sustainable finance, green finance, climate finance and ESG investing that has been achieved by all actors over the past decade. China, the EU, TCFD, NGFS, and private financial institutions have played major roles in this process. The Inquiry and GEF Projects, their allied central-bank and financial-supervisor partners, and their four international platforms, have also made significant contributions to this effort. The most recent expression of this "coalition of evidence and momentum" took center-stage at COP26 with ambitious pledges

[30] A 2020 joint OECD-UNDP paper noted that "Taking externalities due to climate change into account may increase the risk or premium of investment in developing countries, adding to a potential additional real or perceived risk due to governance or corruption issues, and making emerging market sovereign issuers potentially vulnerable to negative ratings actions," citing Inquiry's own 2018 report on the cost of capital from sustainability for developing countries; see OECD-UNDP, Framework for SDG Aligned Finance, Paris, 2020 https://www.oecd.org/development/financing-sustainable-development/Framework-for-SDG-Aligned-Finance-OECD-UNDP.pdf However, Edmans argues that, globally, research on the relationship between sustainability and the cost of capital remains inconclusive; see A. Edmans, Does sustainability reduce the cost of capital? Vox EU, March 17, 2021 https://voxeu.org/article/does-sustainability-reduce-cost-capital Addressing this question is an important area for future research to deepen and broaden, and accelerate, the impacts of sustainable finance in emerging markets

totalling $130 trillion by the 450 signatories of the Glasgow Financial Alliance for Net Zero, with which UNEP-FI is closely associated,[31] and which is overseeing an array of specific initiatives to further advance and expand sustainable finance. Based on this and other evidence, it can be concluded that the financial system has been "greened" to a very substantial degree and is increasingly approaching alignment with the economic needs of sustainable development.[32]

66. Looking back at the past decade, Inquiry's **timing** was strategically prescient, as it occupied a leadership and coordination vacuum early on and was able to steer this process forward while other players did their work at the same time. Looking ahead, the deployment of sustainable finance into SDG-aligned investments must be of sufficient scale and targeting that meaningful and positive economic, social, and environmental impacts can be measured and the authentic benefits to the real, green, and inclusive economy are credibly demonstrated.

67. While there is still a substantial distance to go toward this goal, and the clock is ticking down toward the year 2030 (the end point for the SDG campaign and a key target date for the Paris Accord), there are other, more **operational** reasons to believe that the achievement of Inquiry/GEF impacts are likely. *First,* UNEP-FI and GGKP are well-positioned within UNEP to carry important elements of the agenda forward. The former is active with the G20 SFWG and other Inquiry legacy platforms; the latter is involved in facilitating peer learning on country roadmaps and hosting the Green Finance Platform and the Green Finance Measures Database, both of which build on the Inquiry and GEF work. *Second,* the migration of Inquiry staff and programming, including support to three of the international platforms (G20 SFWG, SIF and FC4S), to UNDP's Sustainable Finance Hub has ensured the continuation of these and other key lines of work.

68. *Third,* at the country level, there is a high degree of country ownership and innovation in sustaining gains, introducing next-generation policies and regulations, and instituting new organizational structures to further implement detailed, updated roadmaps. Instructive, even inspiring, examples here include China, Kazakhstan, Mexico, and Mongolia. Now the challenge to UNDP, UNEP-FI, IFC and other international actors is to multiply the number, and deepen the quality, of capacity building and leadership development for the development and implementation of many more country roadmaps for sustainable finance. In this next round of work, special attention and resources must be devoted to working with the most climate-vulnerable countries, including the Vulnerable 20 (V20) and the Climate Vulnerable Forum, and the SIDS, and marginalized groups, particularly women and indigenous communities.

69. Moreover, a growing number of key players in the sustainable finance space argue that new efforts must made to create incentives for private-sector institutional investors—pension funds, insurance companies, banks—to scale up their allocation of capital to sustainable

[31] Glasgow Financial Alliance for Net Zero, Amount of finance committed to achieving 1.5°C now at scale needed to deliver the transition, November 3, 2021 https://www.gfanzero.com/press/amount-of-finance-committed-to-achieving-1-5c-now-at-scale-needed-to-deliver-the-transition/#:~:text=Today%2C%20through%20the%20Glasgow%20Financial,the%20economy%20for%20net%20zero.&text=These%20commitments%2C%20from%20over%20450,over%20the%20next%20three%20decades

[32] At the same time, this progress has been put under pressure by the COVID-19 pandemic and the fiscal constraints it has imposed on governments and, as of March 2022, the global impacts of the Ukraine-Russia war

investments. *Trillions* of dollars, not billions, are needed—urgently. Blended finance, defined in Box 3, is fundamental to this effort. Blended capital vehicles can tailor products to the risk-return-regulation requirements of private and public institutional investors.[33] Also important is the use of grant funding for technical assistance on the demand side of capital to feed the investment pipeline with scaled, bankable projects with credible prospects of success.

Box 3: Definitions of Blended Finance

Blended finance is the strategic use of development finance for the mobilization of additional finance towards sustainable development in developing countries. It attracts commercial capital towards projects that contribute to sustainable development, while providing financial returns to investors (OECD)[1]

Blended finance is the use of catalytic capital from public or philanthropic sources to increase private sector investment in sustainable development (Convergence)[2]

[1] OECD, Blended Finance, Paris, Undated https://www.oecd.org/dac/financing-sustainable-development/blended-finance-principles/
[2] Convergence, blended Finance Definition, Toronto, Undated https://www.convergence.finance/blended-finance

Case Profile 8: *India*

The Inquiry Project's engagement with India spanned the period 2015-2021.[1] In its initial years, the then Chairperson of HSBC India, a prominent woman leader in Asian finance, served on the Inquiry's Advisory Council and remained a strong ally of the project.[2] Inquiry also assembled an advisory body for India comprising senior representatives of banks, energy companies, and think tanks. In the years to follow, the Indian Banks Association and the Reserve Bank of India participated in Inquiry-sponsored activities; both organizations have had ongoing interests in financial inclusion, fintech, and social banking. The Inquiry Project drew attention to India's use of priority sector lending), green insurance solutions, green bonds, listing and issuing disclosure requirements for green debt securities, peer-to-peer lending, mobile banking, and its banking association-led National Voluntary Guidelines for Responsible Finance.[3]
With an emerging economy and large population, India prioritized renewable energy as directly relevant to sustainable finance in its national roadmap. Later, under the GEF Project, the Inquiry's prime partner became Development Alternatives, a New-Delhi-based social enterprise specializing in green technology and equitable, sustainable development.4 Development Alternatives is represented on the steering group of the Green Economy Coalition, whose members also include representatives of UNEP's Economy Division and the MAVA Foundation, a key Inquiry partner.

In 2020-2021, the Development Alternatives team undertook research to assess the financing needs of green micro-enterprises across India and the products currently available to them. The research team developed the elements of "a roadmap to improve the financial architecture such that it facilitates finance for MSMEs," including recommendations on products, platforms, and partnerships.5 The study focused on green micro-businesses in the construction, textiles, and plastics sectors, which face barriers and disadvantages in accessing traditional financing from banks and money lenders. At the same time, the researchers identified considerable scope for innovation in digital transformation and blended finance for more effective and efficient financing of green MSMEs. More specifically, the study pointed to recent work by fintechs on peer-to-peer lending, psychometric analysis, and artificial intelligence applications to data collection and analysis6, together with other efforts to create blended green funding pools for commercial banks, discounted interest rates on green loans, green insurance, and carbon-credit linked products for corporates to invest directly in greener MSMEs, among other innovative approaches.[7]

[1] Prior to Inquiry's engagement, India instituted policy directed frameworks to support sustainable financial systems. Its 2002 introduction of insurance quotas for firms that protected rural and low-income clients was followed by policies that prioritized lending for small and medium-sized enterprises and agriculture-based businesses
[2] As Naina Kidwai observed as the Project began its work: "Too often the financial system and sustainable development have been tackled in separate silos. The Inquiry has shown for the first time how to systematically connect the dots, demonstrating practical ways in which we can mobilise the scale of capital needed in emerging markets, particularly for clean energy and clean water." UNEP, UNEP Inquiry shows how global finance can align with sustainable development, Geneva, October 8, 2015 https://www.unep.org/news-and-stories/press-release/unep-inquiry-shows-how-align-global-finance-sustainable-development
[3] See various Inquiry reports, including The Financial System We Need, 2015, and Making Waves, 2018 as well as its joint 2017 report with the World Bank entitled Roadmap for a Sustainable Financial System

[33] UNEP-FI is working with the Convergence platform on blended finance strategies and tools; the Investor Leadership Network (ILN) recently published what it calls a blueprint for using blended finance to unlock institutional capital for the SDGs and climate: ILN, Investing in Frontier and Emerging Economies, 2021 https://investorleadershipnetwork.org/wp-content/uploads/ILN_2021_InvestingInEmergingFronteirEconomies_Report_v4.pdf

[4] Development Alternatives, Website, 2022 https://www.devalt.org/Home.aspx
[5] S. Patara, Country Strategy for Green Inclusive Micro Enterprises Financing-India, Presented to the Project Steering Committee Meeting, GEF Components 1 and 2, Inquiry Project, November 15, 2021
[6] S. Patara, Ibid, 2021
[7] For the full report of this research, see Development Alternatives, Country Strategy for Green Inclusive Micro Enterprises Financing-India, New Delhi, 2021

E. Financial Management

70. As discussed elsewhere, one of the noteworthy features of the Inquiry Project was its success in attracting external funding to expand its budget and activities.[34] By 2019, the project had secured 14 donor agreements and several inter-UN agency agreements. Funder representatives interviewed for the evaluation reported that their organizations were drawn to support the intervention more by Inquiry's activities and products than by the reputation of its directors or UNEP. However, that very success in external fundraising meant that Inquiry staff were obliged to devote considerable time to reporting to their individual funders to keep the money flowing, resulting, it appears, in less comprehensive reporting into UNEP's PIMS system.

71. Notwithstanding these multiple reporting obligations, however, the evaluation confirmed few major gaps in financial management under the Inquiry Project. While some delays with respect to the timely approval and disbursement of cash advances were experienced in 2016, 2017, and 2019, these appear to have been related to changes in the governance structures resulting in financial or programmatic staff reassignments, the need for the orientation of new supervisors, and layered bureaucratic processes. The tiered approval process involving UNOPS and UNEP added to the layers of accountability. A more consistent line-management structure and advanced notification of reassignments could have reduced delays.

72. A review of Components 1 and 2 of the GEF Project, together with interviews with the CCM implementing team and former Inquiry staff, indicates that there were some delays in procurement and disbursing funds. It is worth noting that GEF-UNEP allotted 50% of the budget for Components 1 and 2, or $500,000, up front upon the launch of the project. The GEF supervisory (implementing) team then simplified standard UNEP reporting procedures for Inquiry, which served as the executing agency. Still, reporting by Inquiry in 2019-2020 was slow and partial. One factor could have been that Inquiry's human resource capacity was shrinking as key team members departed for other organizations. Another factor may have been the shifting of the administrative locus of Inquiry from Geneva to New York, back to Geneva, and Nairobi. A third factor may relate to Inquiry's outsourcing of its procurement and other administration to UNOPS, which added a layer to an already complex financial accountability and reporting system. Nonetheless, by 2020-2021, Inquiry reports were submitted on time and with the necessary information, though its activity levels and spending were lower than in previous years. It is interesting to note that the Inquiry team experienced the 2019-2020 period as one of bureaucratic obstacles and delays, whereas the GEF supervisory team report that they attempted to provide a generous front-end cash contribution to the project and simplify the reporting requirements for Inquiry. This

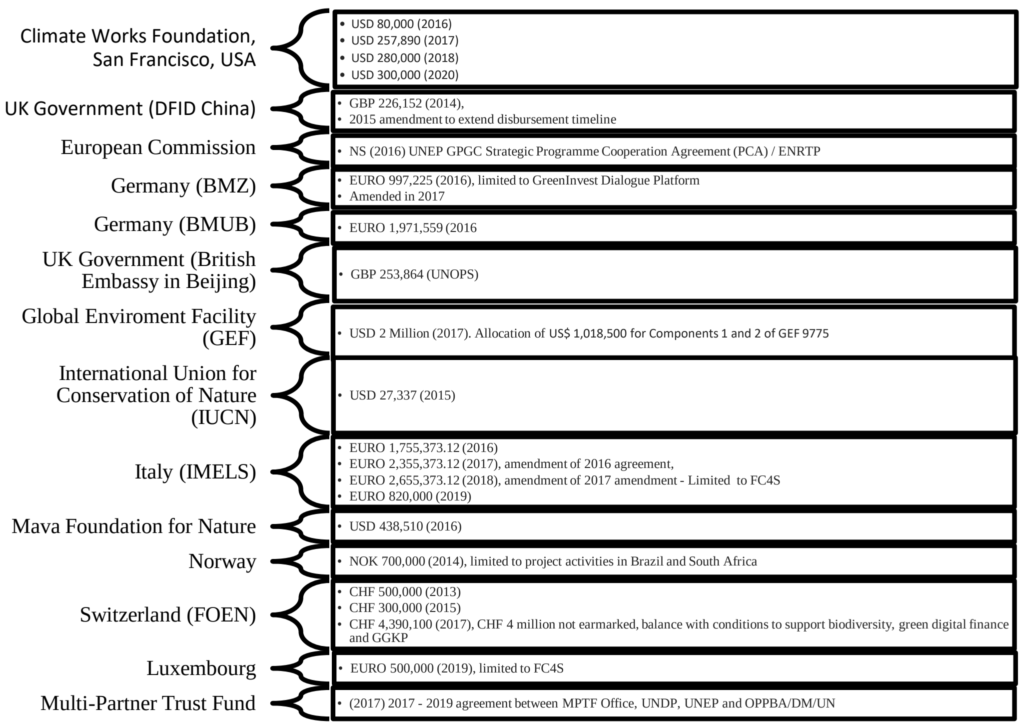
[34] The first major government funding partner was Switzerland, in 2015, which was attracted to the products and the original timebound design of Inquiry and itself offered a leading model of green finance policy; Bruno Oberle, former Swiss State Secretary for the Environment, continued to support Inquiry and GDFA after he moved to IUCN

divergence of experience and perception is rooted in UNEP and GEF operating within deliberative, predictable mainstream programming cycles and established rules while Inquiry, by design, operated at speed as a disruptor and opportunistic catalyst.

F. Efficiency

73. The UNEP Evaluation Office's guidance for the efficiency criterion requires the assessment of "the extent to which the project delivered the maximum results from the given resources, including "an assessment of the cost-effectiveness and timeliness of project execution." Some UNEP colleagues perceived the Inquiry Project to have significantly benefited from a particularly generous allocation from its founding ED and from the ability that UNOPS is accorded to pay higher consulting fees to directors and senior consultants. It was also reported that the Inquiry was constrained from moving at optimum speed due to delays in some procurement approvals and was sometimes frustrated by the pace of UNEP's financial and administrative decision-making. The project did have an extension at cost, but the Inquiry team exceeded project output targets and gained noteworthy, high-leverage outcomes, often on the strength of the in-kind capacities and resources of its major partners (e.g., Bank of England, the People's Bank of China (PBC), G20, others). The Inquiry team was also successful in raising substantial extra-budgetary funds for its own activities and those of its affiliated platforms from a range of sources, particularly key European country-partners, the UK, and two philanthropic foundations. Figure 8 shows that six of these funding partners contributed more than $1 million each toward the work of Inquiry. On balance then, although the present study does not constitute an audit, the evaluation team finds that the money expended by the Inquiry Project was generally well-spent and surpassed expected programmatic returns on investment.

Figure 10 External Funding[1] Raised by Inquiry, 2013-2020



74. In the case of the GEF Project, the main downside in efficiency performance has been, first, its inability to date to fully deliver on its co-financing commitments and second, changes to the external contexts, especially from the COVID-19 pandemic, that have reduced face to face programming—although it has also reduced expenditures on planned in-person events. Despite these issues, together with certain procedural constraints imposed by GEF administrative rules, the GEF Project has so far been able to achieve considerable leverage on its funds at the country level. In nearly all programming countries, the project's relatively modest grant contributions for national roadmap work and related studies have been combined with the inputs of larger constellations of external partners (such as IFC, UNDP, etc.) and coordinated strategically by national partner organizations—such as the Astana International Financial Centre (AIFC)35 in Kazakhstan and MSFA in Mongolia—converting these resources into meaningful outputs and outcomes on the ground.

75. One topic that arose during interviews was that of administrative tensions between Economy Division and the Inquiry. Starting out, Division managers had high hopes for Inquiry. However, relations became tense in the 2015-2017 period as the project gained more extra-budgetary funding, some of which was routed through UNOPS before arriving at UNEP, conferring even more administrative independence upon the Inquiry team, and fuelling growing resentment inside Economy Division toward the project.

76. One lens through which to understand this experience is that of the concept of transaction costs. In the business and management literature, transaction-cost analysis is employed to assess the factors driving firms to decide whether to own or internalize key assets or, instead, to purchase them externally from the market. In this case, Inquiry's perception was that the transaction costs in the UNEP system were, as with many multilateral agencies, high. On the other side, Economy Division viewed the time taken to deal with Inquiry's high volume of transactions, unexpected demand and independent practices constituted high transaction costs, as well. These opposing positions hardened not only for several line managers but also for some senior executives. The literature also suggests that transaction costs must be seen as intertwined with organizational capabilities. Firms must have the capabilities, and the motivation, to integrate and reduce transaction costs of all types. By the time the Inquiry Project was fully operational, there was a low level of goodwill for the parties to try to cooperatively reduce these different types of transaction costs on either side. Any replication of the Inquiry model by UNEP to address other issues must manage the perceptions, and realities, among all parties, of conflicting transaction costs.[36]

[35] Astana International Financial Centre (AIFC) and Mongolian Sustainable Finance Association (MFSA)

[36] On transaction cost research, see, on strategic leadership, J. R. Turner, Project Contract Management and a Theory of Organization, Erasmus Research Institute of Management, Rotterdam, 2001; on organizational capabilities, N. Argyres and T. R. Zenger, Capabilities, Transaction Costs, and Firm Boundaries, Organization Science, 23(6), 2012; on the UN's transaction-cost heavy administration, United Nations, The Future We Want. The UN System we Need, New York, 2016

Case Profile 10: *Kazakhstan*

In mid-2021, Kazakhstan rolled out its environmental legislation, marking its policy progression towards a green economy. With the country's fossil-fuel dependent economy, and considered the most developed country in Central Asia, Kazakhstan is determined to be a leader in green growth. First prioritized in 2010 under Economic and Social Commission for Asia and the Pacific's (ESCAP's) Green Bridge Partnership Programme in the Asia-Pacific region, Kazakhstan later became part of UNEP's Green Growth Project,[1] seeking to move ecosystem services from the micro-level to the macro-level of the economy. Legislative frameworks supported government programmes on energy consumption, agriculture and agribusiness, and renewable energy. Kazakhstan was an early supporter of the Inquiry Project, which was represented on the advisory group to the Green Financial System for Kazakhstan project.[2] The Inquiry Project, UNDP and the IFC collaborated to support Kazakhstan's intended nationally determined contributions and enabled the creation of a partially completed country roadmap to mobilize green finance.

Despite some delays between 2019 and 2020, Kazakhstan continued to work through the Astana International Financial Centre Authority (AIFC) to complete its country road map under GEF Project financing. In this period, the main partner organization for the Inquiry Project in Kazakhstan was the Green Finance Centre of the Astana International Financial Centre (AIFC), a regional green-finance hub and a founding member of FC4S. AIFC's Advisory Council on Green Finance includes senior representatives and long-time partners of Inquiry from Tsinghua University, the Climate Bonds Initiative, and the Bank of England.[3] The AIFC Green Finance Centre aims to mobilize international and local capital for sustainable investments through leading-edge financial instruments, particularly green and social bonds. It also provides consulting services to governments, quasi-state organizations, and entrepreneurs in Kazakhstan and Central Asia.[4]

[1] Funded by the UNDA 8th Tranche from 2013 to January 2016, UNEP's Green Growth project, entitled 'Strengthening ecosystems and development linkages through innovative economic approaches for green growth' was piloted in Mongolia and Kazakhstan. The project focused on integration of ecosystem services into national macroeconomic programmes and policies and programmes; see UNEP Inquiry, Making Waves. Aligning the Financial System with Sustainable Development, 2018 https://www.greengrowthknowledge.org/sites/default/files/downloads/resource/Making_Waves_0.pdf

[2] Greenstream, Green Financial System for Kazakhstan, 2017

[3] Astana International Financial Centre, AIFC and Green Finance, 2019 https://gfc.aifc.kz/uploads/%D0%B1%D1%80%D0%BE%D1%88%D1%8E%D1%80%D0%B0_AIFC.pdf

[4] AIFC, Green Finance Centre, Website, 2022

G. Monitoring and Reporting

77. The Inquiry Project had clear systems for monitoring its deliverables, budgets, and expenditures, during project implementation. The time-bound project included specific, measurable, and relevant quantitative indicators and qualitative milestones that were tied to the PIMS reporting system. In the project folders sampled for the evaluation, there is extensive evidence of regular and detailed project reporting to UNEP, UNOPS and funding partners. However, project reporting into the PIMS system was neither consistent nor comprehensive, particularly in providing updates on key performance indicators. This resulted in an under-representation in the PIMS reports and system of the scope, achievability and significance of work that was completed by Inquiry.

78. Two other reporting issues are worth highlighting. First, data on participants in Inquiry activities (meetings, working groups, advisory council, etc.) were not disaggregated by gender. While this was not a requirement built into the original project design, information on the engagement of women and men would have been useful to the project in purposively strengthening the role of women in the regulation and supervision of sustainable finance at the global and country levels. More importantly, though, it should be noted that there was no excuse for the original project design of Inquiry to have disregarded the gender dimension. In fact, gender equality and the empowerment of women in the environmental sector was an objective under UNEP's 2015 Policy and Strategy for Gender Equality and the Environment. Moreover, the requirement for the incorporation of a gender lens in all UNEP programmes and operations was featured in UNEP's MTS 2018-2021. Indeed, UNEP and GEF both incorporated gender in their policy documentation more than two decades ago.

79. Second, the files indicate that the project did not report systematically on the nature and monetized value of the impressive quantum of in-kind contributions (e.g., meeting facilities, expert advice, researcher time, report design and distribution, etc.) made to its work by UNEP staff or programming partners such as central banks, ministries, universities and think tanks. In fact, this mobilization of in-kind contributions was an important strength of the Inquiry Project.[37]

H. Sustainability

80. The evidence from documents, interviews and profiles indicates that, at the global level (mostly involving the Inquiry Project), project outcomes depended to a moderate degree on social/political factors, although there was a high degree of country ownership and numerous adaptive mechanisms to respond to changes in the context. At the country level (mostly involving the GEF Project), a high dependence on social/political factors co-exists with a high level of country ownership and strong national adaptive mechanisms are operative.

81. The Inquiry Project developed an array of strategies for sustaining its results at both the financial and institutional levels, which have been stewarded by the GEF Project. *First,* through events and research, the Project facilitated learning and capacity building "vertically" between the global and national levels (in both directions) and "horizontally" across countries. *Second,* the Inquiry Project team worked hard to embed sustainable finance and its regulation and supervision in existing platforms at both levels, such as the G20 or individual central banks and financial supervisors. *Third,* Inquiry also catalysed, incubated, and fundraised for new, specialized platforms (e.g., SIF, FC4S and GDFA) or encouraged its allies to do so (such as NGFS). *Fourth,* with the support of the projects, partners at the country level have often created new national organizations to coordinate and drive national roadmap efforts forward (e.g., Mexico's multi-stakeholder committee on sustainable finance, Mongolia's Sustainable Finance Association, Astana's Green Finance Centre). *Finally,* the Inquiry and GEF projects have handed off to other UN organizations—particularly UNDP outside UNEP and GGKP and UNEP-FI inside—the roles and responsibilities of advancing this work going forward.

82. It is not an overstatement to conclude that, in these and other ways, the Inquiry Project together with the GEF Project, constitute a case of a sequence of interventions applying a best-practice array of sustainability strategies to its work. Taken in its entirety, this case could be an instructive training tool for UNEP, UNDP and other agencies working on sustainable finance and in other domains.

Box 4: Other Green Finance Networks

Network for Greening the Financial System: Launched in late 2017 under the leadership of the central banks of France, The Netherlands and England, the Network for Greening the Financial System (NGFS) is headquartered in Paris and serves 75 national members, primarily central banks and supervisors, including more than 20 emerging-market institutions, plus 13 multilateral observers.[1] The Network's work streams focus on micro-prudential supervision issues, macro-financial issues, scaling up green finance, bridging data gaps, and research, whose work stream is chaired by Inquiry partner Dr. Ma Jun.[2] Publications provide insights

[37] The evaluators did not have sufficient data to calculate the overall monetized value of in-kind contributions by partners, but speculate that for the combined Inquiry-GEF period, their aggregate value might have approached as much as USD 1 million

and guidance on climate-related disclosures by banks, central-bank climate scenario analysis, and a dashboard for scaling up green finance.[3]

Sustainable Banking and Finance Network: Established in 2012, the Sustainable Banking and Finance Network (SFBN) is a knowledge network serving 63 central banks, financial supervisors, and other financial institutions from 43 emerging-market economies. The International Finance Corporation acts as SFBN's secretariat.[4] Its current activities include technical assistance to its members, peer-learning among members, and working groups on measurement, and data and disclosure. Almost all the emerging-economy countries with which the Inquiry Project engaged—such as Argentina, Bangladesh, Brazil, China, Kazakhstan, Kenya, Mexico, Mongolia, Nigeria, and Singapore—are represented in SBFN. During the Inquiry period, SBFN actively cooperated with the G20 Sustainable Finance Study Group (2016-2018), UNEP-FI, and NGFS.

Belt and Road Initiative Green International Development Coalition: Led by China, this Coalition involves a coalition of the Environment ministries of 26 countries; nine multilateral organizations; including UNEP, the Green Climate Fund, and International Union for Conservation of Nature (IUCN); 85 NGOs and research institutes; and 32 Chinese and international enterprises. "The main goal of BRIGC," says the organization, "is to promote international consensus understanding, cooperation and concerted actions to achieve green development of BRI, to integrate sustainable development into the BRI through joint efforts, and to facilitate BRI participating countries to implement strong integration of environment and development elements of the SDGs."[5] Key Inquiry partners such as the World Economic Forum, Climate Bonds Initiative, and International Institute for Sustainable Development (IISD), are members of the Coalition.

Green Economy Coalition: Launched in 2009, the Green Economy Coalition brings together business, governments, and citizens to accelerate the transition to a more inclusive and sustainable economy. "We work with our partners around the world," says the Coalition, "to give citizens a voice, hold governments to account, and drive real economic change."[6] Key themes addressed by GEC's work include measuring and governing, reforming financial systems, greening economic sectors, tackling inequality, and valuing nature. The Coalition operates eight national hubs, including in Brazil, India, and Mongolia, three key countries for the Inquiry. Moreover, UNEP (Economy Division), and Inquiry partners MAVA Foundation (MAVA), IUCN, and Development Alternatives, are represented on GEC's governing steering group.

[1] Network for Greening the Financial System, Website, 2021 https://www.ngfs.net/en
[2] Central Banking, Green initiative: Network for Greening the Financial System, February 5, 2020 https://www.centralbanking.com/awards/4662326/green-initiative-network-for-greening-the-financial-system
[3] Network for Greening the Financial System, Dashboard on Scaling Up Green Finance, Paris, 2021 https://www.ngfs.net/sites/default/files/media/2021/06/17/dashboard-on-scaling-up-green-finance-march_2021_0.pdf
[4] Sustainable Banking and Finance Network, Overview, International Finance Cooperation, Bangkok, October 2021 https://www.ifc.org/wps/wcm/connect/2ee15bc1-66fa-4e3d-aa34-7f51767d6ba0/SBFN_Overview_01Oct2021.pdf?MOD=AJPERES&CVID=nMY9x1I
[5] BRI Green Development Institute, Belt and Road Initiative Green International Development Coalition, Beijing, 2020
[6] Green Economy Coalition, Website, 2022 https://www.greeneconomycoalition.org/our-purpose

Case Profile 11: *Mongolia*

Mongolia has been a leader in sustainable finance for a decade and a close partner of Inquiry between 2016 and 2021. Working with the IFC's Sustainable Banking Network, the Mongolian Bankers Association (MBA) first published, in 2014, the Mongolian Sustainable Banking Principles.[1] In 2015, MBA representatives met the Inquiry Project leadership at UNEA II in Nairobi. From 2016 to 2018, in concert with IFC, SBN and the Mongolian Sustainable Finance Association (MSFA), the Inquiry Project provided technical advice to the development of Mongolia's national roadmap for sustainable finance, described by local champions as Inquiry's "most direct and tangible result" in that country. With a planning horizon to 2030, the roadmap addressed environmental and social risk management, green finance flows, and the enabling environment, and proposed that Mongolia become a regional knowledge center for sustainable finance. Sparked by its partners, Mongolian leaders initiated a study tour to China and later adapted that country's green finance taxonomy. Through the Inquiry Project and other networks, the MSFA also exchanged experiences and policy models with Cambodia, Kenya, Philippines, and Singapore, among others.

From 2020 to 2021, the GEF Project collaborated with the Mongolia Stock Exchange (MSE), the Financial Regulatory Commission, FC4S, IFC, MFSA, IFC and UNDP to carry out the Mongolia Sustainable Stock Exchange Initiative.[2] This work involved the assessment of existing disclosure and reporting requirements for listed companies, preparation of a draft ESG disclosure policy framework and an ESG reporting guidebook, capacity building for MSSE using international best practices, proposed future activities, and a communications plan.[3] Throughout this decade of innovation in sustainable finance, Mongolia benefited from continuity of leadership in both its private and public institutions, which facilitated country ownership and coordination of a wide range of in-country stakeholders and external partners.

[1] Mongolian Bankers Association, Sustainable Banking Principles, Ulaanbaatar, 2014 https://www.ifc.org/wps/wcm/connect/05296e6c-86e0-4475-ae0e-20200dca900b/MBA_Principles-and-Guidance-Notes-Mongolia_Final.pdf?MOD=AJPERES&CVID=kKZr0cX#:~:text=The%20approach%20is%20one%20of,country's%20green%20economy%20growth%20and)
[2] UN Environment Inquiry, International Finance Corporation, Sustainable Banking Network and the Mongolian Sustainable Finance Initiative, National Sustainable Finance Roadmap of Mongolia, Ulaanbaatar, 2019 https://wedocs.unep.org/bitstream/handle/20.500.11822/33399/NSFRM.pdf?sequence=1&isAllowed=y
[3] N. Enkhtur and T. Davaadkhuu, Mongolia Sustainable Stock Exchange Initiative, Presented to the GEF Project Steering Committee, Inquiry Project, Geneva, November 15, 2021

I. Factors affecting Performance and Crosscutting Issues

I.1 Gender Equality

83. Traditionally, men around the world have overwhelmingly occupied leadership roles in central banking and financial supervision, though the grip of this extreme gender bias on the field seems to be loosening in recent years. Indeed, throughout the life of the Inquiry Project, as the team was well-aware, the percentage of women central-bank governors fluctuated but remained less than ten percent worldwide. Still, as the Inquiry-GEF period continued from 2018 to Inquiry's close in 2021, there was a clear shift to greater participation and engagement in project activities by women leaders in both the developed and developing world.[38] Today, legacy networks and institutions of Inquiry, such as the SIF and Digital Finance Alliance, reflect the changing face and gender representation of financial leaders, and the institutional frameworks that govern sustainable finance.

84. During 2014-2018, the Inquiry Project did not formally prioritize gender equality as a key theme of its work. In contrast, institution-wide, UNEP reported that gender perspectives and gender actions were integrated into nearly 80 projects between 2010 and 2011. Formal reporting structures and the project design documents for Inquiry did not highlight gender as a crosscutting theme or an area of priority. There was also no visible evidence that UNEP's Gender Implementation Committee (GIC) had been consulted to support gender integration into the project's outputs. Furthermore, the Millennium Development Goals and then the Sustainable Development Goals, both UN campaigns, made it clear that gender equality is essential for sustainable development across all economies and sectors. Inquiry's lack of a formal gender equality analysis and plan at its launch was a strategic and operational weakness.

85. Nonetheless, the gender dimension was built into key Inquiry publications, including Green Finance for Developing Countries (2016), which identified SDG 5 as relevant to key capital-mobilization areas; The Financial System We Need (2016), which reviewed the role of fintech in gender equality and women's empowerment; and the Inquiry-World Bank Roadmap for a Sustainable Financial System (2017), which emphasized ESG ratings and indices incorporating gender equality. However, overall, Inquiry steadfastly prioritized its mission of green finance regulation for emission reductions, leaving little room, it seems, for the systematic treatment of gender. As one key Inquiry player observed: "Our approach was to focus on addressing policy change that would ultimately be more beneficial to all."

86. Women played key roles as senior staff members and on the advisory bodies of the Inquiry Project but were still outnumbered by men. However, this imbalance shifted over time toward

[38] This may in part be due to the guidance in the 2018-2021 UNEP MTS to integrate gender equality into all of the Agency's programming, guided by its 2015 Gender Equality and Environment Policy and Strategy https://www.unep.org/resources/policy-and-strategy/un-environment-policy-and-strategy-gender-equality-and-environment

more gender-equal numbers of core staff and consultants39 In contrast, from the outset of the GEF Project in 2019, women played more prominent roles as ministers and professionals in country roadmap work under the GEF. As an illustration, for the present evaluation almost 60% of country-partner representatives interviewed under the GEF Project were women.

87. Today women play strong leadership roles in Inquiry's legacy platforms, notably SIF and GDFA. And, from 2019 to 2021, the structures and activities of Inquiry and the GEF Project were populated by more women in key political, policy, and technical expert roles. In countries like Kenya, Mexico, Mongolia, and Kazakhstan, local women professionals have served in pivotal roles as advisors and consultants, driving the GEF Project's work on country-level sustainable finance roadmaps.

88. There is little doubt that any future application by UNEP of the Inquiry Project's lessons, in substance or in process, would need to include a robust and explicit gender equality strategy. As the UN prepared for Session 66 of the Commission on the Status of Women, there was more dialogue emerging at the nexus of environment, finance, and gender. In early 2022, UN Women Asia and Pacific hosted a two-day discussion, in partnership with UNEP, UNDP, United Nations Office for Disaster Risk Reduction (UNDRR) and others to discuss the gendered impacts of climate change, the need for gender-transformative policies on environment and disaster risk reduction, and women as actors in facilitating this change in political, economic, and financial structures. Moreover, there is a need for all organizations working in this space[40] to broaden the concept of gender beyond the simple male-female binary and to engage with gender as a spectrum that also includes gender identity.

89. Globally, the gender-environment-finance nexus is a newly emerged area of focus that has risen to prominence post-Inquiry, recognizing that women and girls play a strong role in the economy and environment in all societies. UNFCC and the United Kingdom devoted a day to gender issues at COP26.[41] Other side events at COP26 shone the spotlight on the gender-climate nexus, including one, for example, on gender-inclusive voluntary carbon markets with panellists from the FairClimate Fund, WOCAN and the Dutch government.[42] At the same time, products, and tools for scaling gender lens investing (GLI) are gaining prominence in the climate space. In one noteworthy effort, the 2X Challenge—a collaborative of bilateral development finance institutions (DFIs), multilateral development banks (MDBs) and private funds—has formed a task force on gender, finance, and climate.[43] Within UNEP, GGKP has proposed the establishment of a gender expert group "to catalyse collective action toward gender equality through collaboration within and among the key policy, industry and finance experts and institutions and civil society groups."[44]

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[39] During its second phase, the Inquiry Project's human resource complement was 56% male and 44% female, as documented in the HR Workplan, Inquiry Project, 2017 and 2018

[40] This challenge has been issued to the field of gender lens investing; see T. Subramanian, A. Muirow, and J. Anderson, Evolving the gender analysis in gender lens investing: moving from counting women to valuing gendered experience, Journal of Sustainable Finance and Investment, 12(3), 2022 https://www.tandfonline.com/doi/full/10.1080/20430795.2021.2001300

[41] UNFCCC, Momentum Builds for Gender Action, COP26, Glasgow, November 9, 2021 https://unfccc.int/news/momentum-builds-at-cop26-for-gender-action

[42] See the side-event entitled A Fair Race to Net Zero, Glasgow, November 11, 2021 https://www.wocan.org/cop26-side-event-a-fair-race-to-net-zero-scaling-fair-inclusive-and-gender-focused-voluntary-carbon-markets/

[43] 2X Challenge, Investing in Women, Tackling Climate Change, London, 2021 https://www.2xchallenge.org/new-blog/2021/1/12/investing-in-women-tackling-climate-change

[44] Gender Expert Group: Concept Note, 2021

I.2 Project Management and Administration

90. To activate the Inquiry Project within a short timeframe, and to limit restrictions created by layered approvals needed for financing, recruiting, and managing the project, the Inquiry was originally designed to be: ultimately accountable to UNEP's Office of the Executive Director; subject to oversight within UNEP's formal structure by Economy Division; managed by an externally facing team recruited through UNOPS via a contract between UNEP and UNOPS; and directed by three, highly networked senior consultants—the Co-Directors—to lead the delivery of outputs and outcomes. A series of amendments to the project's programmatic, administrative, and reporting arrangements, particularly during the 2015-2019 period, altered the original plan and prompted the project to work even more closely with UNOPS, first in Geneva and then in Nairobi.

91. Inquiry's engagement of UNOPS for procurement, human resources and other functions was a sound decision which yielded several advantages, particularly in the faster hiring of consultants. Yet UNOPS' own systems and rules for financial management and reporting necessarily became embedded in a matrix of other accountabilities that included UNEP's mainstream policies and practices as well as the approval and supervisory function of the GEF Project implementation team in CCM together with approval responsibilities of partner governments. While the GEF supervisory team reports that it made best efforts to advance substantial funds and simplify reporting requirements during Inquiry's time as executing agency for Components 1 and 2, there were, particularly in 2019-2020, delays in approvals and report acceptances that created institutional tensions. Overall, the Inquiry Project operated within an agile project management framework, based on a flat organizational structure, and distributed decision-making across the core team. This execution structure contrasted sharply with the UN's traditional administrative framework that falls under strict procurement guidelines and is not designed for speed or flexibility. All parties should have expected strains between these two very different approaches.

92. UNOPS administered USD 6.15 M in transactions for the Inquiry Project during the period 2017-2021. As Table 7 shows, annual transaction volume was highest, at more than USD 2 M per year, in 2017 and 2018, when the Project was most active programmatically and had access to considerable extra-budgetary funding. Thereafter, annual transaction volumes fell markedly from USD 1.3 M in 2019 to just under USD 500,000 in 2020 and finally to less than USD 70,000 in 2021. As a break-even service to UN projects, UNOPS charges a fee for both direct and indirect costs. For the five years, UNOPS charged the Inquiry Project a total of about USD 560,000 in service fees, representing 11% of total transactions. Overall, this should be seen as an efficient administrative overhead cost. In the final analysis, therefore, the decision by the Inquiry and GEF projects to utilize UNOPS for project administration is found to be appropriate by this evaluation.

Table 7: UNOPS Support of the Inquiry Project, 2017-2021

Category	Year (USD) 2017	2018	2019	2020	2021	Total
Total transactions, including UNOPS Fee	1.84M	2.44M	1.31M	.492M	.069M	6.15M
Of which UNOPS:						
- Direct costs	.043	.131	.059	.032	.027	.292
- Indirect costs	.097	.087	.046	.018	.018	.266

Category	Year (USD)					Total
	2017	2018	2019	2020	2021	
Total UNOPS Fee	**.140**	**.218**	**.105**	**.050**	**.045**	**.558**

Source: UNOPS, 2021

93. Notwithstanding the benefits of working with UNOPS realized by the Inquiry and GEF projects, it cannot be denied that the lack of fit between the administrative needs of a rapid, responsive, time-bound, and externally facing unit, on the one hand, and the deliberative, rules-bound system of UNEP as a UN Agency, on the other, was a source of tension throughout the 2014-2021 intervention period. Despite the best efforts of the parties, this led to frustrations on both sides, which were frequently mentioned during evaluation interviews.

94. Administrative challenges were also a factor in a reported decline in a sense of ownership of the Inquiry's work on the part of some UNEP staff, notwithstanding widespread agreement that the project enabled UNEP to "punch above its weight" in sustainable finance. Although the Inquiry Project was evidently supported in its earliest iteration by high-level UNEP staff, this ownership appears to have declined over time, with a growing number of staff viewing the project's work as external to UNEP's mandate and areas of focus, while UNEP's leadership pursued other priorities amid the many demands placed on the Agency.

95. Within a context of exceptional administrative arrangements and tensions in institutional systems, low and mid-level management came to view the project as overly ambitious and focused on creating spaces for dialogue that yielded little to no direction on next steps for UNEP's staff or partners. Further, beginning around 2018, some co-financing raised by inquiry was allocated directly to key platforms and country partners and thus did not flow through UNEP. Taken together, these factors likely contributed to the eventual migration, from 2019 onward, of some Inquiry staff to UNDP. While Inquiry's leaders tried to buffer these effects, contractual delays and uncertainty hit some early-stage professionals particularly hard.[45]

96. Ultimately, it may be that any future application of the Inquiry *model*, in substance or in process, should be administered outside UNEP or other UN agencies, perhaps at a foundation, think tank or university. Positioning it as a "UN-convened intervention" would confer UN convening power on the project. External funds could be routed directly to the host entity. At the same time, though, the experience of the Inquiry-GEF intervention indicates that there should also be a clear plan for after the time-bound intervention is completed to integrate longer term follow-on activities into mainstream institutional programming within UNEP.

I.3 Stakeholder Participation and Cooperation

97. *How* the Inquiry Project engaged its stakeholders is worth highlighting. First, the project principals framed its work literally as an inquiry, a dialogue and search for better knowledge and good practices in greening the financial system. This approach, combined with UNEP's strong convening power but non-threatening positioning within the finance field, plus active, apex-level networking by the directors, sparked rapid and substantive engagement in Inquiry

[45] "I will never work for the UN again," said one interviewee, a younger professional then who also reported that the Inquiry was the most ambitious and stimulating intervention in which they have participated

events and research by a wide range of influential decision-makers, from central bankers and financial supervisors to government ministers and foundation presidents. Advisory bodies and working groups, and eventually the new platforms, served as vehicles for more specialized advocacy, evidence-building, and the sharing of policy models. Moreover, the Inquiry Project, and later the GEF Project, placed high value on peer learning among emerging economies, and mutual learning by developed and developing countries, as well as facilitating exchanges vertically, from the global to the national and vice versa.

98. Taking a closer look at who the Inquiry and GEF projects engaged is also useful in understanding their approach. Inquiry's broadest circle was wide and diverse, encompassing more than 500 multilateral bodies, central banks, financial supervision agencies, financial-center authorities, government ministries, donor agencies, philanthropic foundations, stock exchanges, ratings agencies, think tanks and universities. One noteworthy achievement was Inquiry's early networking across the finance sector in China, facilitated through the People's Bank of China, with development banks, commercial banks, renewable energy companies, green finance research centers, and, later, Ant Financial. A middle circle of about 50 organizations included key institutions in 20 countries, both emerging and developed, and at the global level, with which the project worked regularly. Tables 8 and 9 summarize the numbers of stakeholders engaged by the Inquiry and GEF projects by type and geography.

99. In addition, there was a core group of some 20-25 partners, including external funders (especially Germany, Italy, and Switzerland); the central banks and finance and environment ministries of key G20 countries (particularly Argentina, China, France, Mexico, and the UK); financial supervisors from the Australia and the US; financial centers and bankers' associations (especially Kazakhstan, Kenya, Mongolia, and Nigeria); foundations (MAVA[46] and others); and think tanks, universities, and NGOs (IISD, IUCN and the Climate Bonds Initiative). Both the Inquiry and GEF projects respected, encouraged, and built upon high levels of country ownership and driven-ness with their country-level partners. To this inner circle were successively added the four platforms: G20 SFWG, SIF, FC4S and GDFA. This core group was coordinated by the project team and melded into an effective coalition of capacities and interests that drove the interventions forward.

Table 8: Stakeholders Engaged by Type and Geography, Inquiry Project, 2014-2018

The Inquiry Project – Stakeholders (2014 – 2018)

Levels	Central Banks/ Financial Supervisors[1]	Government Ministries and Agencies[2]	Government Financial Institutions	Financial / Commercial Entities	Financial Services (Insurance, Investment, etc.)	Ratings/ Standards Agencies	Associations/ Platforms	Institutes[3]/ Universities
Global/ Multilateral/ Regional	6	31	7	16	36	7	36	38
National – Developed Economies	23	33	4	17	20	6	9	46
National – Emerging Economies	31	24	6	23	15	6	17	20
Cities – Financial Centres		7	1	4			7	

Source: Authors, 2022

[46] MAVA Foundation (MAVA), International Institute for Sustainable Development (IISD)

Table 9: Stakeholders Engaged by Type and Geography, GEF Project (Components 1 and 2), 2019-2021

The GEF Project (Components 1 and 2) – Stakeholders (2019 – 2021)

Levels	Central Banks/ Financial Supervisors	Government Ministries and Agencies	Government Financial Institutions	Non-Bank Financial Institutions	Commercial Entities	Ratings/ Standards Agencies	Associations/ Platforms	Institutes/ Universities
Global/ Multilateral/ Regional		10			1		7	3
National – Developed Economies		2				1	2	2
National – Emerging Economies	2	2		1	3		1	1
Cities – Financial Centres					1		1	

Source: Authors, 2022

[1] Includes financial regulators and supervisors
[2] Includes policy and government focused agencies, e.g., World Bank, UN agencies
[3] Academic Institutes, Think Tanks, Institutes

100. Despite its many strengths, one of the weaknesses of this approach, however, was the tendency of external funders of Inquiry to channel program resources to Northern-based organizations in, for example, New York and Copenhagen. To generate the highest impact, sustainable finance needs to be anchored across the globe, and especially in regions facing the greatest negative impacts of climate change. Indeed, while its engagement with Chinese institutions and other major emerging economies was robust and significant, project documentation indicates that the Inquiry Project was most attentive to stakeholders where the largest pools of global capital are located, especially the UK and Europe.

101. Furthermore, fulfilling these Northern-oriented strategic and operational priorities resulted in less time and space for the project to engage in any sustained way with climate-vulnerable countries, small island developing states, and poor countries in general. Smaller, poorer economies, particularly SIDS, continue to face capacity gaps in adapting and mitigating the effects of climate change. With rising, post-pandemic debt costs, and only modest financial commitments from the rich world, climate-vulnerable countries argued forcefully at COP26 that they require substantial financial and technical assistance to apply sustainable finance for meaningful mitigation and adaptation.[47] Indeed, meaningfully addressing the needs of these members of the world community is essential for realizing the targets of the SDGs and the Paris Accord. The Inquiry Project could and should have found ways of engaging more widely and deeply with key stakeholders in these at-risk economies.[48] The GEF Project should use its remaining time to support the member countries of the V20 and Climate Vulnerable Forum to develop and implement viable, practical sustainable finance roadmaps. UNEP-FI partners with the Climate Vulnerable Forum.

I.4 Communications

102. In many ways, the Inquiry Project especially, and to a lesser extent the GEF Project, can be seen as *communications* interventions. During the 2014-2018 period, Inquiry operated with the focus, intensity and pacing of a political campaign—but one rooted in new

[47] See Climate Vulnerable Forum, Vulnerable Nations Demand Climate Emergency Pact from COP26, November 2, 2021 https://thecvf.org/our-voice/news/press-releases/vulnerable-nations-demand-climate-emergency-pact-from-cop26
[48] As noted earlier, Inquiry staff did, in fact, reach out to the central banks of Fiji, Jamaica and Mauritius, but in-country conditions at the time were not conducive to the project partnering with these institutions

knowledge and capacity building, not merely slogans. A majority of interviewees inside and outside UNEP recognized the strong strategic and operational skills of the Co-Director/Head of Communications together with the other two Co-Directors in: Honing ambitious messaging; connecting directly with elite decision-makers at the global and country levels; generating with partners new knowledge through research reports, briefs and slide decks to undergird the messaging; co-developing with partners model policies and toolkits; pivoting toward unexpected opportunities for meetings and joint reports; facilitating North-South and South-South learning exchanges; and relentlessly pushing the expanding field of sustainable finance to accelerate its growth and elaborate its ecosystem. Moreover, Inquiry was diligent in providing partners with targeted pre-reading materials and energetic in working with others to quickly produce outputs of key meetings, such as insertions into international declarations and statements, decisions, summaries, and press releases. All of this, and more, constituted a driven, multi-channel, advocacy-oriented communications initiative. For its part, the GEF Project has been less aggressive and visible in its global communications efforts, tending instead to support its country partners and the legacy platforms to carry the advocacy work forward.

103. In terms of modalities of communications, Inquiry relied heavily, and effectively, on personal networks and face to face discussions with central bankers, financial supervisors, funding agencies, and other primary stakeholders, as well as institutional communications vehicles and channels, such as declarations, briefing notes, model policies, and research reports. Interestingly, the Inquiry Project chose not to extensively utilize social media to get its messaging out to a broader audience, instantly and at little cost. The evaluation team found relatively few hits on social media (Twitter, Instagram, LinkedIn) of Inquiry knowledge products or activities. In contrast, the partners of the GEF Project, often a younger generation of practitioners and policy makers, have made greater use of social media to disseminate and advocate for the policy and regulatory reforms and innovations of their organizations. Indeed, the GEF Project, GGKP, and the legacy platforms demonstrate that any future applications of the Inquiry model could and should easily add social media to their communications channels and tools.

VII Conclusions, Lessons, and Recommendations

A. Conclusions and Ratings Table

104. In summary, based on the findings presented here, it can be concluded that the Inquiry Project was a very strong performer in terms of effectiveness and sustainability, as well as on stakeholder participation and country ownership. There were also several aspects of the application of the project model that limited its effectiveness. These factors included: lack of clear on-ramp into mainstream programming of UNEP, the project's host institution; tensions with host-agency's programmatic units and administrative systems; lack of a comprehensive gender equality strategy; insufficient attention to the needs of highly vulnerable groups, particularly SIDS and coastal communities more generally; and an over-reliance on Northern-based grant recipients, especially among networks and universities. For its part, the GEF Project has to date performed solidly overall, with notable strengths indicated in sustainability and country ownership. It has been stronger on gender but has struggled, so far, to meet its co-financing commitments.

105. Table 10 presents the ratings for the evaluation criteria accorded the two projects by the evaluation team. Annexes F and G present the weighted scores for each project. Employing the UNEP Evaluation Office's weighted rating system and set of rubrics for its core evaluation criteria, the **Inquiry Project** is, overall, rated **Highly Satisfactory**. The **GEF Project** for Components 1 and 2 is, on an interim basis, rated **Satisfactor**y. Notwithstanding limits in their design or operations, the projects achieved very real successes and innovations at meaningful scale and developed and refined a productive implementation model. In an era when boldness, ingenuity, scale, and acceleration at the systems level are essential for realizing the full potential of sustainable finance, Paris Accord, and the SDGs, it is important to understand in detail how to adapt, improve and replicate the strategies and tools employed by the Inquiry Project and the GEF Project.

Table 10: Project Performance Ratings Table (Terminal Evaluation for Inquiry Project; Interim Review for GEF Project)

HS - Highly Satisfactory　　MS - Moderately Satisfactory　　HF - Highly Favourable
S - Satisfactory　　HL - Highly Likely　　F - Favourable

Criterion	Summary Assessment	Rating Inquiry	Rating GEF
A. Strategic Relevance		**S**	**S**
1. Alignment to UNEP's MTS, POW, and strategic priorities	Approved 2013, 2016, 2018	S	S
2. Alignment to Donor/Partner strategic priorities	EU, UK, China, Switzerland, Italy	S	S
3. Relevance to regional, sub-regional and national environmental priorities	Brazil, Mexico, India, China, EU, Nigeria, South Africa, Kazakhstan	S	S
4. Complementarity with relevant existing interventions	Planned to boost FI, PAGE	S	S
B. Quality of Project Design	Leverage on central regulation	**S**	**S**
C. Nature of External Context	Early leadership gap; Pandemic later	**HF**	**F**
D. Effectiveness	Strong outputs, outcomes	**HS**	**S**
1. Availability of outputs	150+ reports, briefs, documents	HS	S
2. Achievement of project outcomes	Platforms, country roadmaps	HS	S
3. Likelihood of impact	Platforms, countries	L	L
E. Financial Management	Tension with UNEP systems	**S**	**MS**
1. Adherence to UNEP's policies and procedures	Adequate but uneven	S	MS
2. Completeness of project financial information	Adequate but uneven	S	S

Criterion	Summary Assessment	Rating Inquiry	Rating GEF
3. Communication between finance and project management staff	Adequate but uneven	S	S
F. Efficiency	Good value for the money. However significant non-tangible transactional costs were borne by UNEP due to the internal tensions that were caused by the administrative structure of the Inquiry project.	**MS**	**S**
G. Monitoring and Reporting	Strengths and weaknesses	**S**	**S**
1. Monitoring design and budgeting	Adequate on balance	S	S
2. Monitoring of project implementation	Adequate on balance	S	S
3. Project reporting	Frank, but not comprehensive	S	S
H. Sustainability	UNDP, platforms, countries	**L**	**L**
1. Socio-political sustainability	Platforms, countries	L	L
2. Financial sustainability	Extra-budgetary fundraising	L	L
3. Institutional sustainability	UNDP, platforms, policies	L	L
I. Factors Affecting Performance and Cross-Cutting Issues	Overall satisfactory	**S**	**S**
1. Preparation and readiness	Strong for both projects	S	S
2. Quality of project management and supervision	Good	S	S
2.1 UNEP/Implementing Agency:	Ambivalent	MS	MS
2.2 Partners/Executing Agency:	Strong	S	S
3. Stakeholders participation and cooperation	South-South, South-North	HS	S
4. Responsiveness to human rights and gender equality	No gender strategy for Inquiry	MS	S
5. Environmental and social safeguards	Satisfactory	S	S
6. Country ownership and driven-ness	High level of country ownership	HS	HS
7. Communication and public awareness	Continuous, strategic, purposeful	HS	S
Overall Project Rating	**Inquiry Project: Highly Satisfactory** **GEF Project: Satisfactory**	**HS**	**S**

B. Lessons Learned

106. The experience of the Inquiry Project and its affiliated GEF Project is rich in lessons that deserve to be highlighted and integrated by UNEP and other actors. Among these lessons are the following:

107. ***1) The convening power of the United Nations remains a powerful asset.*** The Inquiry Project levered this asset successfully at the multilateral and country levels to, first, put sustainable finance on the agenda of central banks and regulators and, later, to develop and advance country-level roadmaps. In part, this proved effective because UNEP was a relatively small and neutral player in the finance space and, under the Inquiry's mode of operation, was also nimble and strategic in its application of its convening power.

2) The Inquiry model is available to UNEP and other organizations to be applied to a new set of challenges and opportunities in sustainable finance and related areas. The essence of the Inquiry design entailed an ambitious, even audacious goal and level of change; a time-bound, rapidly moving set of activities; leverage on public-sector regulation; strong advocacy and communications; top-level networking and support; learning across developed and developing economies; and both internal and external funding. Potential derivations of this model could be used by UNEP to advance transition investments in key verticals, such as plastics, chemicals, or methane; to accelerate and increase the quantum of private sustainable investments by institutional investors in emerging and developing markets through blended finance instruments and vehicles; and/or to step up its cooperation with the countries and groups most vulnerable to climate change.

3) However, any application of the Inquiry model should a) strictly adhere to the time-bound end-date of the intervention; b) set out clear pathways for exit and wind-down, c) and make provision for select organizational units to take on follow-on research, knowledge-mobilization, and capacity building activities. While UNEP has designated GGKP, its Green Economy team, and UNEP-FI to pursue follow-on activities sparked by Inquiry, there was no planned, systematic, smooth on-ramp into mainstream UNEP programming, though Inquiry itself had proposed several options. This should, and could, have been planned more definitively from the outset.

4) Further, any application of the Inquiry model should consider several administrative options, including running the intervention outside UNEP or other UN agencies through a foundation, university, or institute. Any Inquiry-type intervention must be able to move rapidly and opportunistically, with agility and responsiveness, and will require an administrative system that can accommodate and keep pace with those needs. Dedicated administrative support could be built into co-financing arrangements, which would create organizational structures that allocate time to supporting and reporting on project outputs.

5) Planning, animating, and supporting new, specialized platforms that can be spun off as separate, self-driven entities constitute an effective strategy for advancing and sustaining the work. The most prominent examples in the case of the Inquiry were SIF, FC4S and GDFA. The Inquiry team also facilitated the migration of the first two platforms to UNDP support and Irish funding. The other high-impact case involved, first, the 2016 establishment of the G20 Sustainable Finance Study Group led by China and the UK, and second, with Italy's strong support, the 2021 revival and upgrade of the G20 SFWG with Italian support.

6) Supporting the continuity of skilled country-level champions and experts enables countries to coordinate a range of national constituencies and external partners to maintain momentum and evolve national agencies in sustainable finance. Two instructive examples in this regard were the Inquiry's engagement with the Central Bank of Mexico and the Mongolian Sustainable Finance Association, where dedicated leaders in both countries cooperated with Inquiry and GEF to animate national policy reform in sustainable finance, creating local coordinating organizations, and building new, relevant work programs as they moved forward.

7) UNEP projects in sustainable finance should collect, analyse, and utilize gender-disaggregated data on their program leaders and participants to promote gender equality in their programming and results. That such data disaggregation was not a feature of the original design of the Inquiry Project can be seen as a lost opportunity to advance inclusion in the green financial system. In the post-COP26 era, the gender-climate nexus is gaining prominence. The need for granular data on gender and other social dimensions is growing.

8) UNEP projects in sustainable finance should systematically and comprehensively document and calculate the monetized value of the in-kind contributions they mobilize from programming partners. The Inquiry Project proved to be especially successful at convincing central banks, ministries and agencies, universities, and think tanks to provide important in-kind contributions to the work of Inquiry. Consistent approaches to defining, monetising, verifying, and reporting such data are essential to gaining an accurate assessment of the value for money of an intervention.

C. Recommendations

108. Recognizing the achievements, innovations and learning generated by the projects assessed here, as well as their weaknesses and outstanding issues, the following recommendations are presented. Several recommendations are directed to UNEP's Economy Division, the host division of the Inquiry and GEF projects, with the recognition that these approaches can be adapted across the broader UNEP framework.

109. UNEP should:

1) ***In association with an assessment of the work carried out by UNEP-FI, consider undertaking a comprehensive review of its programming in sustainable finance to renew its role, strategy, and programming instruments with the aims of accelerating the exponential, targeted growth of sustainable investments and ensuring their positive downstream impact, especially in vulnerable countries and among marginalized groups.***
The Challenge: In spite of important gains achieved over the past decade, including through the projects examined here, the global financial system is falling far short, by trillions of dollars, of mobilizing and deploying the quantum of sustainable capital required for adaptation and mitigation efforts to meet the SDGs and Paris targets. Moreover, lower income countries increasingly bear the negative effects of climate change with fewer resources to cope with these effects.
The Opportunity: In the post-COP26 era, and in association with an assessment of the work of UNEP-FI, UNEP can review the possibilities for it to make a unique contribution in growing and accelerating sustainable finance in those areas that matter most to its mandate—including, for example, chemicals, methane, plastics, and other "verticals"—while also, more generally, enabling more effective and accelerated utilization of global and country level sustainable finance policies and systems. This contribution can be made in concert with UNDP's Finance Sector Hub, the Sustainable Finance Development Network of APEC, and other partners, and with a special focus on vulnerable countries and groups.
The Inquiry project also produced several publications with sustainable finance roadmaps. These roadmaps should be used to inform an alignment of private finance and public finance approaches used by UNEP-FI and Economy Division's fiscal team. An alignment of the approaches used under both groups will enhance synergies and streamline UNEP's strategic mobilization of finance towards achievement of the SDGs.

As part of this review, assess the extent to which, and through which modalities, UNEP's sustainable finance programming instruments—including the GEF, GGKP, PAGE, UNEP-FI, and other initiatives—should re-set their work with sustainable finance regulators.
The Challenge: Central banks, financial and insurance supervisors and other regulators of sustainable finance require ongoing support and capacity building to implement and continuously improve the policies and systems established during the past decade at the global, regional, and country levels. Without effective links to this trajectory of work, UNEP's programming and visibility in the sustainable-finance space will be constrained.
The Opportunity: UNEP's programs should re-calibrate their roles with regulators recognizing these evolving, dynamic needs and ongoing work by international networks

such as NGFS, SIF, FC4S and others. To an important degree, at the country level, national regulators and sector organizations can work with UNEP to determine appropriate roles, specific contributions, and multi-partner coordination.

2) ***Consider the extent to which elements of an adapted version of the Inquiry model could and should be applied, for a limited period, to a specific programming area or set of issues to raise awareness, engage elite decision-makers, generate new knowledge, facilitate rapid, scaled action, and perhaps incubate and spin-off new, specialized platforms and vehicles.***
The Challenge: Mainstream, deliberative programming in large institutions moves too slowly; what is needed in sustainable finance now is for key actors to *sprint* toward the 2030 deadline.
The Opportunity: UNEP may wish to consider selecting a specific area, such as chemicals or methane, in which it will attempt to generate rapid, decisive change by catalysing, with partners, the mobilization, deployment and impact measurement of significant flows of sustainable finance. Lessons from the Inquiry model may be useful in such an effort. One potential opportunity for UNEP to adapt this approach is to accelerate and scale action on UNEA's historic plastic pollution resolution.

3) ***Request Economy Division to conduct an analysis on the integration of targeted programming for SIDS, LDCs, indigenous organizations, and other marginalized groups across the Division's portfolio. This may lead to a UNEP-wide response to which the Economy Division contributes.***
The Challenge: High-level programming can deprioritize or render less visible vulnerable economies and marginalized groups most at risk from climate change and could permit even more extreme loss of biodiversity and livelihoods. Moreover, standards based on larger or more developed economies as the default lens may inadvertently further increase the vulnerability of these economies and groups.
The Opportunity: Using this analysis, Economy Division programming instruments in sustainable finance—UNEP-FI, PAGE and GGKP—can recalibrate their approach. For example, UNEP-FI could intensify its cooperation with the V-20. These and other vulnerable economies are in urgent need of significant flows of sustainable investment as well as substantial grant funds from the international community. PAGE and the Green Economy Coalition could also increasingly target SIDs, low-income countries, and indigenous organizations, and GGKP could ramp us its knowledge mobilization activities with, and for, these constituencies.

4) ***Request the GEF Project, supported by UNEP-FI, to organize an educational webinar with tailored learning materials on sustainable finance roadmaps for members of the V20 and Climate Vulnerable Forum.***
The Challenge: Sustainable finance regulation is among the many actions that climate-vulnerable countries must move on quickly. If they have not done so already, these countries must rapidly develop practical, actionable sustainable finance roadmaps that respond to the conditions they face and are coordinated with an array of other actions, including disaster risk reduction measures.
The Opportunity: Building on the work of Inquiry, the GEF Project has supported the continued work on country roadmaps and specialized studies by the project's country partners. While the outputs of this work are strong, they have primarily been developed by large countries (e.g., China, India, and Nigeria). However, GEF's partners in smaller countries—notably Mongolia and Kazakhstan—have experiences relevant to V20 members.

5) ***Request Economy Division to develop and implement a fully-fledged gender equality strategy to be integrated into all its policies, programs, and projects. This may lead to a UNEP-wide response to which the Economy Division contributes.***
   The Challenge: Without such a thoroughgoing strategy, standards and recommendations developed under UNEP will miss critical intersectional gender issues that affect policy adoption and implementation not only in sustainable finance but in environmental science and norms more broadly. In the context of the SDGs, UNEP's work could be seen as less relevant at the global, regional, and country levels.
   The Opportunity: Instituting a gender equality strategy in Economy Division would require new and existing projects in sustainable finance, sustainable infrastructure, and the green economy to undergo a gender analysis to identify any gaps and could contribute to the development of an updated corporate gender policy and action plan that would interface with, and inform, the future MTS.

6) ***Through GGKP, strengthen its approach to identifying and meeting co-financing obligations under the GEF Project by systematically and comprehensively documenting and reporting the monetized value of in-kind contributions by its staff and its country and international partners.***
   The Challenge: With GGKP now serving as its executing agency, the GEF Project continues to work toward meeting its co-financing targets for Components 1 and 2. Given several factors, this will be difficult to achieve. Yet project executors have already mobilized a significant quantum of contributions at the country and global levels (e.g., research, meeting space, communications), both in cash and in kind. This includes tapping into the resources of Inquiry's legacy platforms. However, like most UNEP projects, the value of these contributions has not been fully captured or reported.
   The Opportunity: In its remaining time executing Components 1 and 2, GGKP could and should focus on documenting and promoting these elements of co-financing—especially the valuation and monetization of in-kind contributions—not only for its own purposes, but to demonstrate to other UNEP projects new ways and means of achieving co-financing targets and calculating the value of in-kind resources. For the latter, value-for-money and social-value tools may be useful.

Annex A: Table of Comments from Respondents in the Inquiry evaluation (March /June 2022)

Place in text	Comment	Evaluators' Response
	ROUND 2 COMMENTS	
Executive Summary (9) and Conclusions (104)	Given its objective and intent to provide UNEP FI with a shot in the arm and the green economy work, one would except a greater cohesion and integration into UNEP programmes. But this was not the case. Instead, it was designed and treated as an "elite" project and so found the rest of the work in the green economy branch and UNEP FI not good enough. The project did not seek to connect with the rest of the work in UNEP and provide that lift that was asked for it. There was a demoralizing effect within UNEP FI between 2014-2015, which you will recall. And in the green economy branch. And yet the inner stresses and tensions are treated as "inevitable" in the report. The pressures that were created should be made known to UNEP senior management in case such models are adopted in future to make sure we do not repeat the same mistakes.	Touched upon in paras 9 (Executive Summary and 104 (Conclusions) and discussed from the perspective of transactional costs in section on Efficiency, para 76
Recommendation 1	Thank you for sharing the very through and analytical evaluation report. I agree to the overall evaluation especially on the effectiveness that the Inquiry's bold and creative approach proved to be very effective for contributing to systems and policy change at both the global and country levels. Yet, the project was not adopted as a permanent program within UNEP and institutional memory, knowledge and knowhow which could further benefit many other countries seem to have been lost. Despite that the strategic intent of the Inquiry Project was to fast-track UNEP's work on sustainable finance by creating a team with external experts, I agree that Inquiry's hard-charging, disruptive operating style, its administrative outsourcing to UNOPS, and other factors contributed to institutional tensions and lack of uptake of the project within UNEP.	Edit made to Recommendation 1.

Place in text	Comment	Evaluators' Response
	I also support the recommendations provided in the evaluation. **Particularly, the need to undertake a comprehensive review of its programming in sustainable finance to renew its role, strategy, and programming instruments with the aims of accelerating the exponential, targeted growth of sustainable investments and ensuring their positive downstream impact. In addition to UNEP-FI project which covers private side finance, I propose that both public and private side finance projects being reviewed to be aligned and cross-fertilize. Currently private finance delivered by UNEP-FI is not aligned with public finance delivered by the fiscal team within the Economy Division. Given how public finance mobilized by fiscal policy change could leverage private finance, two workstreams together with the legacy of the inquiry team need to be overhauled together to design a comprehensive sustainable finance roadmap and to lead eventually to mobilizing the required finance to achieve SDGs.**	
Recommendation 1	Opportunities for collaboration between UNEP and UNDP can be taken up with UNDP staff in charge of sustainable finance, through Marcos Neto, Finance Sector Hub Director (marcos.neto@undp.org). The Secretariats of G20, FC4S, SIF and now the Sustainable Finance Development Network of APEC (Asia Pacific Economic Cooperation) – both docked to UNDP could pave an initial path for such a partnership.	Recommendation 1 has been revised to incorporate suggested references to UNDP's Finance Sector Hub and SFDN-APEC.
Para 9, pg 4	Target of the recommendations: Para 9, p 4: Not sure why the evaluators refer recommendations only to the Economy Division. they apply more generally to UNEP: (PPD for gender mainstreaming) and SID, LLDS to ecosystems division who have the mandate to mainstream UNEP work to these countries.	Recommendations 4 and 6 have been extended to prompt a UNEP wide response with Economy Division contributions.
Various	Inquiry used a model which was very much an evolving, opportunistic, adaptive model made possible by generous funding, time extensions, brilliant leadership, strong UNEP leadership support	We have dealt with this editorially. In many places across the report, we have addressed and qualified our assessment of

Place in text	Comment	Evaluators' Response
	and few rules to bind them. It was great as it was "sui generis" but can this be easily replicated in UNEP is something to be grappled with.	Inquiry's replicability while pointing out the opportunities to in fact replicate it.
Para 28, para 86	No discussion or comment on why the project was moved around so many times within UNEP. Para 86 concludes with the inevitability of strains and stresses resulting from two different approaches: the Inquiry model and the UN's rules and regulations and processes; a deeper reflection would have been more useful to UNEP going forward.	It's doubtful the true nature of the shift will be revealed by further reflection. In actuality, the nature of the diversely based team should not have been affected by a home base reassignment. It was meant to create new lines of accountability and speaks more to the personal disagreements between project managers and project staff. No further edits made.
Efficiency	Time extensions: the fact that the project was continuously extended speaks both it its successes in raising funding but also its ability to deliver so well against its original objective. If it had not been extended at costs it may not have delivered so well at the end of the 2 years.	Projects can be extended due to early performance / boost of funding and still be unable to deliver well during the extended period. Inquiry showed it had the ability to maintain its relevance and under GEF its ability to empower and support country focused initiatives. Under GEF, it demonstrated that it was able to deliver without relying on allocated funds and under amended timelines, with external limitations (pandemic restrictions). This reiterated the project's creativity in accessing other lines of financing and with working with on-the-ground partners. The approach that sourced new in-kind and financial lines also shifted the accountability lines and could be interpreted as side-stepping the built in UNEP financial systems (although they were still accountable to UNOPS checks and balances, less rigorous) but more effective in producing tangible results.
Pages 34 and 35	There are contested findings (p 34 and 35). The GEF team's feedback is better represented but less so form the economy Division administration.	We have also referred explicitly to the perspectives of Economy Division, including their perception that Inquiry itself came with high transaction costs. We have added a paragraph on disruptive models, as well as another tool for understanding the dynamics between the Division and Inquiry.

Place in text	Comment	Evaluators' Response
Para 46	Just to state that this is this single most descriptive and summary paragraph (summarizing the entire evaluation in my view) of the Inquiry Project and should be given more prominence, or moved to the first para under section VII on p. 47: "There were several aspects of the application of the project model that limited its effectiveness. These factors included: lack of clear on-ramp into mainstream programming of UNEP, the project's host institution; tensions with host-agency's programmatic units and administrative systems; lack of a comprehensive gender equality strategy; insufficient attention to the needs of highly vulnerable groups, particularly SIDS and coastal communities more generally; and an over-reliance on Northern-based grant recipients, especially among networks and universities."	We have accepted and incorporated this useful addition in the Conclusions section and have now also put it in the Executive Summary where, editorially, it sits best.
Various/para 70	I must say I was struck by a sense that this was not really an evaluation report. It reads more to me like "an end of project assessment" / commentary. laudatory remarks on all the good things of which there were many to feel very proud off, and gloss over of the administrative problems and tensions by calling them "inevitable".(Para 70). But all in all, very well written.	We have removed reference to "inevitable," and the specific contested sentence. We appreciate this critical feedback and have made some editorial amendments as a result. To note, the evaluation process, criteria, methods and standards are all consistent with UNEP's Evaluation Offices policy and procedures.
Para 69 and 70	I could not disagree more with the statement: "Despite these and other challenges, the evaluation finds that the Inquiry Project generally followed UNEP's policies and procedures, provided an acceptable level of financial information to UNOPS, UNEP and external funders, and maintained regular communication with financial management staff." There were several instances UNEP's policies and procedures were not followed. Indeed, while the staff were paid from UNOPs from the beginning (and it was not only to expedite their onboarding, but also	Sentence deleted. Given that our reviews did not uncover any cases of qualified audit reports, financial inquiries that led to suspension or cancellation of financing or the closure of the project, we cannot conclude that by default this project did not in general follow the policies and procedures. If there is evidence to the contrary, this should be provided.

Place in text	Comment	Evaluators' Response
	to allow for high salaries beyond an allowable UNEP scale) the activities were all run through UNEP, until such time that UNEP management did not allow for many of the things they were hoping to do. Then things were moved to UNOPS, which initially let a lot of things go through, but they eventually ran into some of the similar problems.	In practice, a project that has not provided financial information at a suitable level should not have received a time / cost extension and would also have been subject to administrative review. Our understanding is that financial audits are done as a bloc under a division and we found no evidence of a project specific audit.
Para 73?	There is a reference to monetizing in kind contributions of around USD 1 million. The transactions costs of Inquiry to the economy division were high and not monetized at all. Although I see the UNOPS contributions amounts to 11 % of the project costs. This was an issue with out admin. There was no PSC coming in here and yet there was a lot of transactions.	In-kind contributions are meant to capture anticipated vs. real transactional costs of an organisation (internal or external) that directly contribute to project goals and deliverables. It is our finding that UNEP did not have systems in place to capture in-kind contributions, which contributed to transaction costs being viewed negatively, instead of a collaborative structure to support implementation of this project. Refer Para 79 for the summary finding.
Para 89	"Although the Inquiry Project was evidently supported in its earliest iteration by high-level UNEP staff, this ownership appears to have declined over time, with a growing number of staff viewing the project's work as external to UNEP's mandate and areas of focus, while UNEP's leadership pursued other priorities amid the many demands placed on the Agency." This bears further elaboration to be clear. As the project proceeded donor funding was given directly to UNOPS, thus totally avoiding UNEP and its oversight role on those funds. Whilst the project proceeded under the UNEP flag the project had funding that could be used in whatever ways that UNOPS allowed.	This comment does not seem to stray far from our analysis and no further edits have been made.
Para 99 and 100	I do not understand how the ratings are determined. The majority of them are "S". Only three of the 16 are HS, but the final rating is HS?? -- which I would not agree with based on my knowledge of the project, but moreover the evaluation itself – mainly para 99, which as	The UNEP Evaluation Office has responded that the performance ratings across the evaluation criteria are aggregated on a 'weighted' basis to derive the overall project performance rating. The two elements with the heaviest weighting are i) Achievement of Outcomes and ii)

Place in text	Comment	Evaluators' Response
	an overall conclusion states there was not "smooth or comprehensive on-ramp" into UNEP. This was a serious issue.	Sustainability (of benefits derived from outcomes). This weighting reflects UNEP's focus on sustained change.
Para 9 items 4 and 5	why focus only on Economy Division - shouldn't these apply to all?	Recommendations 4 and 6 extended to UNEP with Economy Division contributions.
UNEP 'take up'	UNEP 'Take-Up' - the text suggests that a measure of success should be whether the Inquiry was institutionalised in UNEP … although maybe one option, this was never the mandate or the plan, so it's hard to measure success on that basis. Moreover, in fact much of the Inquiry's content was institutionalised through UNEP FI, which when we started had nothing for example to do with central banks, fintech and many other things the Inquiry did engage with, and by the end of the Inquiry it did, indicating a strong cascade of vision and practice, as well as key networks.	We have said a lot, including in the boxed case profiles, of how UNEP-FI is continuing to advance the agenda of sustainable finance through Inquiry's legacy platforms (G20, SIF, etc). This is important, high leverage work. Currently, though, UNEP-FI is fighting its own battles now trying to maintain net-zero discipline among its members, and just retaining its membership base, inside GFANZ in light of the Ukraine war and big money to be made now in oil and gas. Intentional institutionalization is a principle built into sustainability metrics that are part of UNEP's projects, and hence an element assessed during the evaluation process. If there was no recognition in the building of the project that the results could be institutionalized, this is a miss in the original theory of change and methodology. That said, based on the feedback from participants and the original documentation, the intention was always to use the traction gained by Inquiry to reshape, strengthen, and build the capacity and direction of UNEP-FI.
Gender	Gender - it is interesting to consider what a gender-sensitive strategy would be to engage with central banks and rating agencies, for example, so I think it useful if you could set out what the deficiency you are described is benchmarked against, enabling real learning from you as to how it might have been done. Moreover, in considering this important dimension, it might be worth highlighting how the Inquiry helped Nigeria launch the world's first certified sovereign green bond, championed by then Environment Minister, Amina Mohamed, and with 'use of funds' focused on women led	We have strengthened our position on gender in section I.1. The "benchmarks" were already in UNEP policy, the MDGs, the SDGs and across the UN system. The Inquiry leadership just didn't pay attention, though later they did, and the GEF Project was better on this dimension. The issue of gender was two-fold. 1. There was no structured methodology within the project that had gender specific goals / monitoring.

Place in text	Comment	Evaluators' Response
	green businesses, documented in a co-authored with Amina in her new role as UN DSG. Women of course have been a core part of the Inquiry, from the leadership team through to the all-important Advisory Board.	Under the GEF project, the methodology was there but not adhered to, as more high-level principles than built-in targets 2. The dominance of men in the financial sector in the early years of the Inquiry made it difficult to create gender benchmarks under the short timeframes for implementation, so even if gender was built into the project model, it would have been difficult to meet benchmarks (although the South has had more historical and consistent involvement of women in finance for many years).
	ROUND 1 COMMENTS	
EMAIL	Really nice report, well written, comprehensive and well-balanced. It was an enjoyable read and there was no repetition of text. Only a minor suggestion to put the SIDS rec before gender	
EMAIL	I've reviewed the Inquiry evaluation/ interim review report and overall think it's fine. Attached are some comments, mostly minor. The one more major comment is as follows regarding *Recommendation 1 Consider undertaking a **comprehensive review** of its programming in sustainable finance to renew its role, strategy, and programming instruments with the aims of accelerating the exponential, targeted growth of sustainable investments and ensuring their positive downstream impact, especially in vulnerable countries and among marginalized groups.*	
Recommendation 1	A comprehensive review of UNEP work on sustainable finance could only be effectively undertaken once UNEP FI, the largest sustainable finance programme within UNEP, has itself been evaluated. It is proposed that the recommendation be revised to state 'In association with UNEP FI's upcoming evaluation, consider undertaking a comprehensive review of UNEP programming in sustainable	Agree with this proposal. Change incorporated into Recommendation 1 in both the Exec Summ and main text

Place in text	Comment	Evaluators' Response
	finance….' Or this could be 'Subsequent to UNEP FI's upcoming evaluation….'	
EMAIL	Thanks so much for sending this email and the attachments. I have read the Evaluation with interest, and concur with you that Ted and Kizzann have really gone through all the documents thoroughly and have provided a very comprehensive and interesting read. They were also a real pleasure to work with. I'm sending the comments table back with a few specific comments. I thought that they were key to the overall Evaluation and merited clarification. What UNEP could do is take the best of the Inquiry elements and apply it to the creation of the Plastic Protocol. To achieve that will require a combination of good old-fashioned plodding along, but also agility and out of the box thinking. In terms of the Evaluations broader points on gender and SIDS, we possibly could have taken on more, but given time, capacity and finance parameters, we focused on the big targets. So this isn't to excuse why these subjects were not included, but rather to explain why. On gender: at the time we started we did an analysis, and saw that central banking is overwhelmingly male. Women held only 11% of seats on global central bank boards between 2000 and 2015, and fewer than that prior to 2000. the number of female governors in the 114 central banks surveyed between 1998 and 2015 saw that only in 2014 broke 10 and is closer to 5 for most of that range, putting female representation in the top post well below 10%. Our approach was to focus on addressing policy change that would ultimately be more beneficial to all. On SIDS: we had reached out to the Governor of the Central Bank of Fiji, the Governor of the Central Bank of Jamaica, and the Central Bank of Mauritius. Fiji was overwhelmed	On the SIDS issue, para 6 has not been changed, but this clarification on attempts to engage the three countries has been added as a footnote to paragraph 60 in the main text of the report, and again in para 96. On the gender issue, the following edit was integrated into paragraph 80: "However, overall, Inquiry steadfastly prioritized its mission of green finance regulation for emission reductions, leaving little room, it seems, for the systematic treatment of gender. As one key Inquiry player observed: 'Our approach was to focus on addressing policy change that would ultimately be more beneficial to all.'"

Place in text	Comment	Evaluators' Response
	with other demands and told us to come back once we'd fixed policy; Jamaica was only interested in debt reduction and said policy change would assist; and Mauritius didn't want to do anything that would impact their offshore status. Again, not an excuse, but not then on our top list of priorities.	
p15 para 25	In the description of the Inquiry leadership it says that there were two co-directors and a head of communications. There were actually 3 co-directors from the onset of the project (Simon Zadek, Mahenau Agha, Nick Robins) with myself also taking on the role as head of communications.	Observation accepted, with apologies. Amended to read three Co-Directors in paras 25 and 97. Change made to respondent's title in Annex B
p20 para 41	This would be a good time for UNEP to evaluate the linkage between PIMS/UNEP and GEF PIMS reporting. The requirements and definitions are quite different (this does not negate the evaluators comments on Inquiry PIMS reporting 😊)	Integrated into responses to GEF team's comments
p20 para 42	The assumption made in this para is that other national roadmap work was not country driven prior to the GEF. There were 8 other initial roadmaps including Kenya, Colombia, India that were run by national institutions – Kenya and Colombia by Central Bank & Kenya Bankers Association, Colombia by Min of Finance and India with its own national Advisory Council and the Federation of Indian Chambers of Commerce.	Modified the sentence by adding: "...though Inquiry had begun this effort earlier with eight other countries."
p22 (box)	Text is confusing and incorrect. The Saudi and Japanese Presidencies of 2019 and 2020 didn't emphasize sustainable/green finance at all and there was no study group. 2017 was Germany, and green finance was core to what it did. The Study Group ran from 2016-2018 – then didn't exist for 2019 and 2020 – and came back to life in 2021 with Italy.	We were aware of this history and make this same point ourselves several times in the report Edit made and footnote added to Case Profile 7 on Mexico: "The Banco de Mexico was an active member of the G20 Sustainable Finance Study Group from 2016 to 2018 and supported the restart of the Working Group under the Italian presidency in 2021."
p42 para 81	Strongly challenge the statement that 'less than 20% of the Inquiry staff were women'. That is simply not true. Please see examples below of staffing.	Overall, the debate on specific numbers of women staff or consultants doesn't change our core finding that Inquiry did not systematically prioritize gender equality. However, we

Place in text	Comment	Evaluators' Response
		have edited paragraphs 79, 80 and 81 to better reflect the comments and perspective For its part, paragraph 81 now reads as follows: "Women played key roles as senior staff members and on the advisory bodies of the Inquiry Project but were still outnumbered by men. But this imbalance shifted over time toward more gender-equal numbers of core staff and consultants. In contrast, from the outset of the GEF Project in 2019, women played more prominent roles as ministers and professionals in country roadmap work. As an illustration, for the present evaluation almost 60% of country-partner representatives interviewed under the GEF Project were women. Accepted new footnote: "During its second phase, the Inquiry Project's human resource complement was 56% male and 44% female, HR Workplan, Inquiry Project, 2017 and 2018"
Additional Note	On the subject of gender, please see following examples of breakdown: **2014 -** 2 women, 2 men **2015** - The Inquiry has been supported throughout the project by Maya Forstater, Nana-Ofori Okyere and Felicity Perry. The broader team over the 2 years has included Agnes Atsiaya, Chad Carpenter, Peter Cruickshank, Iain Henderson, Cheryl Hicks, Nozipho January-Bardill, Olivier Lavagne d'Ortigue, Andrea Liesen, Jeremy McDaniels, Sandra Rojas, Shereen Wiseman, Sarah Zaidi and Nuohan Zhang. Co-directors: Simon Zadek, Mahenau Agha, Nick Robins 11 women, 7 men	This information and perspective are useful, and there are talented and committed women and men in this list. But the names that appear most frequently in Inquiry workstream activities and reports are those of men (especially Marcos Mancini, Iain Henderson, and Jeremy McDaniels) though Felicity Perry, and Sarah Zaidi also played central roles.
EMAIL	Thank you for sharing the draft report for the GEF project's interim evaluation.	Call held April 20

Place in text	Comment	Evaluators' Response
	As discussed during our call, please find attached the "Comments Table" with our feedback. Most of our comments are rather minor factual corrections on information / figures, in relation to the GEF project. However, we would like to draw your attention on our comments related to the statements on paragraphs 70 and 86 of the Evaluation Report. In our opinion, these do not fully reflect the reality of the financial and administrative management of the GEF project. As such, we would like to have an opportunity to clarify some of these aspects with the evaluators in the next few days. Thank you in advance for your support.	
§2	The GEF project is expected to be completed on 31 December 2022 – not mid-2022.	Our error. Earlier documents showed that Component 3 was to run until mid-2022. Change made to text
§2	If we combine both the Component 1 & 2 (Inquiry / GGKP) and the Component 3 (EFP Unit), the GEF project has reported a total US$ 1,096,239 of expenditures to date (refer to attached expenditure reports) – not US$ 565,117.	The report reflects the spend of Components 1 and 2 only. The evaluation did not include a financial analysis or summary of Component 3 In the main text, in paragraph 17, we have inserted the following footnote: "The evaluation team notes that, although Component 3 of the GEF Project was not part of the present evaluation, the total reported expenditures for all three project components, including Component 3, is USD 1,096,239 through December 2021"
Figure ES.1	The timeline for the GEF project is slightly incorrect, since it was launched in January 2019.	Edit carried out. Thank you for this clarification. The GEF Project was approved by the PRC (Project Review Committee) in 2018. We have adjusted the launch date in the timeline in Figure ES1 and Figure 3 in the main text
§4	The GEF project is executed by both the Inquiry (Components 1 and 2) and the Economic and Trade Policy Unit (Component 3) – not just the Inquiry. Also, since mid-2021, it is the GGKP that is executing Components 1 and 2.	Edit accepted; footnote added. "This interim evaluation focuses on Components 1 and 2 of the GEF Project. Components 1 and 2 of the project have been executed by UNEP's Green Growth Knowledge Platform project since the middle of 2021"

Place in text	Comment	Evaluators' Response
§17	Again, the GEF project (Components 1, 2 and 3) has reported a total of US$ 1,096,239 to date – not US$ 565,117.	Edit accepted. The report reflects the spend of Components 1 and 2 only. The evaluation did not include a financial analysis or summary of Component 3. Here we also add the footnote
§18	Suggest correcting the wording as follows: "[…] has been implemented by the Climate Change Mitigation Unit, under the Energy and Climate Branch […]"	No objection; accepted
§22	Suggest correcting the wording as follows: "[…] while UNEP's Climate Change Mitigation Unit, was the Implementing Agency […]"	No objection; accepted
Figure 3	Same comment as for Figure ES.1 above	See comment above; timeline has been adjusted in the Exec Summ and in the main text (Fig ES1 and Fig 3)
§28	The Inquiry was also operated under the project management auspices of the UNEP New York Office for a short period of time, back in 2019. Indeed, our original internal cooperation agreement for the GEF project was signed between the CCM Unit and the New York Office.	Footnote based on this comment accepted and inserted
§42	We disagree with this statement: "However, the UNEP side has not been able to meet its co-financing requirements during implementation." Indeed, the project implementation is not completed yet and will run until December 2022. It is therefore premature to claim the above.	Added 'yet' Given that, for Components 1 and 2, the bulk of the deliverables under the GEF Project are between 50 – 80% complete as at the end of December 2021, can they reasonably expect to meet their co-financing targets by December 2022? In our view, this does not appear to be feasible. There is some expansion of scope to C1 and C2 proposed by GGKP for 2022, but this does not seem nearly sufficient to ensure the co-financing targets will be achieved
§70	"70. A review of Components 1 and 2 of the GEF Project indicates that that project may have faced delays in gaining approvals for procurement and disbursing funds, particularly given the additional layer of approvals under the GEF's own policies and procedures. A more detailed review is required to determine the extent to which	Our original analysis was based on direct feedback from James (FMO) and Nana (Admin Inquiry). Our interview with the GEF team on April 20 provided additional information and perspective on this issue. We appreciate the GEF team's time and insights

Place in text	Comment	Evaluators' Response
	financial controls and approvals may be hindering the GEF Project's procurement process." We disagree with this statement, which does not reflect the reason why the disbursement of funds has been delayed. We would like to have an opportunity to clarify this matter with the evaluators, through interviews with our Programme team (Ruth Coutto, Geordie Colville and Julien Lheureux) as well as our Finance team (Leena Darlington, Fatma Twahir and Fredrick Kuria).	In light of our interview with the team, we have revised paragraph 70 to now read as follows: 70. "A review of Components 1 and 2 of the GEF Project, together with interviews with the CCM implementing team and former Inquiry staff, indicates that there were some delays in procurement and disbursing funds. It is worth noting that GEF-UNEP allotted 50% of the budget for Components 1 and 2, or $500,000, up front upon the launch of the project. The GEF supervisory (implementing) team then simplified standard UNEP reporting procedures for Inquiry, the executing agency. Still, reporting by Inquiry in 2019-2020 was slow and partial. One factor could have been that Inquiry's human resource capacity was shrinking as key team members departed for other organizations. Another factor may have been the shifting of the administrative locus of Inquiry from Geneva to New York, back to Geneva, and Nairobi. A third factor may relate to Inquiry's outsourcing of its procurement and other administration to UNOPS, which added a layer to an already complex financial accountability and reporting system. Nonetheless, by 2020-2021, Inquiry reports were submitted on time and with the necessary information, though its activity levels and spending were lower than in previous years. It is interesting to note that the Inquiry team experienced the 2019-2020 period as one of bureaucratic obstacles and delays, whereas the GEF supervisory team report that they attempted to simplify the reporting regime for Inquiry. This divergence of experiences is also rooted in UNEP and GEF operating on deliberative, predictable mainstream programming cycles and rules while Inquiry, by design, operated at speed as a disruptor and opportunistic catalyst. Perhaps some of these tensions were inevitable."

Place in text	Comment	Evaluators' Response
Figure 8	Out of the US$ 2 million of the GEF grant, only US$ 1,018,500 was for the Inquiry's share of the GEF project – not US$ 2 million.	Clarification accepted. A new version of Figure 8 has been inserted in the updated version of our draft report reflecting this clarification
§72	Refer to our comment on §42 above. The project is not completed yet, and additional co-finance will likely materialize until December 2022.	Edit accepted. Note that in the GEF Project folder Progress reports are all empty, excluding two annexes that are unrelated to general progress
§86	"86. Implementation under UNOPS created layered levels of approval for project delivery. […] With the GEF Project, this shifted to a three-layered system, with project staff having to adhere to GEF reporting and financial requirements, while also maintaining the UNEP and UNOPS rules structure. […] In the GEF Project, delays in accessing necessary approvals in a timely manner and strict limitations that GEF financing be limited to country work have led to slower spending." *From email:* We would like to draw your attention on our comments related to the statements on paragraphs 70 and 86 of the Evaluation Report. In our opinion, these do not fully reflect the reality of the financial and administrative management of the GEF project. As such, we would like to have an opportunity to clarify some of these aspects with the evaluators in the next few days. Thank you in advance for your support.	The evaluators interviewed the respondents on April 20, 2022, to review and discuss their comments and later received additional reports provided by the GEF team We have revised the front end of this paragraph and added a new final sentence. It now reads as follows: "Inquiry's engagement of UNOPS for procurement, human resources and other functions was a sound decision which yielded several advantages, particularly in the faster hiring of consultants. Yet UNOPS' own systems and rules for financial management and reporting necessarily became embedded in a matrix of other accountabilities that included UNEP's mainstream policies and practices as well as the approval and supervisory function of the GEF Project implementation team in CCM together with approval responsibilities of partner governments. While the GEF supervisory team reports that it made best efforts to advance substantial funds and simplify reporting requirements during Inquiry's time as executing agency for Components 1 and 2, there were, particularly in 2019-2020, delays in approvals and report acceptances that created institutional tensions. Overall, the Inquiry Project operated within an agile project management framework, based on a flat organizational structure, and distributed decision-making across the core team. This execution structure contrasted sharply with the UN's traditional administrative framework that falls under strict procurement

Place in text	Comment	Evaluators' Response
		guidelines and is not designed for speed or flexibility. All parties should have expected strains between these two very different approaches."
§99	Again, we disagree with the statement claiming the project has not met its co-finance commitments.	See comment above. We accept the edit, and the argument of the team. However, at the same time, we see no feasible path for the project to gain sufficient ground in the next year to meet its co-financing targets
Recommendation 7	This is related to our comment on paragraph 70. Again, we disagree with this statement, which does not reflect the reason why some of the financial or administrative approvals were delayed. We would like to have an opportunity to clarify this matter with the evaluators, through interviews with our Programme team (Ruth Coutto, Geordie Colville and Julien Lheureux) as well as our Finance team (Leena Darlington, Fatma Twahir and Fredrick Kuria).	This was discussed during our interview with the five GEF team members on April 20. In light of this discussion, we have revised the recommendation and its supporting paragraphs as follows: 7) "Through GGKP, strengthen its approach to identifying and meeting co-financing obligations under the GEF Project by systematically and comprehensively documenting and reporting the monetized value of in-kind contributions by its staff and its country and international partners The Challenge: With GGKP now serving as its executing agency, the GEF Project continues to work toward meeting its co-financing targets for Components 1 and 2. Given several factors, this will be difficult to achieve. Yet project executors have already mobilized a significant quantum of contributions at the country and global levels (e.g., research, meeting space, communications), both in cash and in kind. This includes tapping into the resources of Inquiry's legacy platforms. However, like most UNEP projects, the value of these contributions has not been fully captured or reported. The Opportunity: In its remaining time executing Components 1 and 2, GGKP could and should focus on documenting and promoting these elements of co-financing—especially the valuation and monetization of in-kind contributions—not only for its own purposes, but to

Place in text	Comment	Evaluators' Response
		demonstrate to other UNEP projects new ways and means of achieving co-financing targets and calculating the value of in-kind resources. For the latter, value-for-money and social-value tools may be useful." This recommendation has also been revised in the Executive Summary
EMAIL	General comments on the report: Overall, it appears balanced, though seems to miss some of the key insights and lessons learned from the Inquiry in terms of creating a "fast track" vehicle to create impact, and the trade-offs involved with institutional and capacity building within UNEP. Also, for the recommendations on gender and LDCs, rather than targeting specifically the Economy Division I would suggest a broader lens for examining these critical issues and how they play out on both "fast track" and organic growth models of our substantive delivery Platforms.	Overall, we don't think the benefits and risks were missed re: Inquiry model. No edits have been made on this general point. However, the concept of trade-offs later in this respondent's comments is very helpful. For the Recommendations section, we have integrated the following sentence into the introductory paragraph to that section at paragraph 102: "Noting the achievements, innovations and learning generated by the projects assessed here, and recognizing their weaknesses and outstanding issues, the following recommendations are presented. Several recommendations are directed to Economy Division, the host Division of the Inquiry and GEF projects, with recognition that the approaches can be adapted across the wider UNEP framework."
p.1, paragraph 2	"green the financial system by changing the practices of financial institutions and institutional investors, through the engagement of financial regulators and financial institutions as key stakeholders." Is this really the stated objective? I recall broader language in the original project document - eg on the governance of capital markets to align with sustainable development	This reflects the Inquiry's project language found in UNEP's Project Document Revisions 1 – 6, Inquiry into the Design of a Sustainable Financial System Moreover, this language on the objective is drawn directly from the Terminal Evaluation TOR
p.2, para 4	"From 2014 through 2018, with ambition and ingenuity, the Inquiry Project employed apex-level networking with elite decision-makers, leverage through central banks and financial supervisors, new	Have edited and broken up this sentence, re-ordering its points, for style

Place in text	Comment	Evaluators' Response
	knowledge production, strategic communications, external fundraising, and new-platform creation to embed policy change processes for sustainable finance in important global bodies like the G20, G7 and World Bank and in the financial sectors of 20 countries, constituting impressive system-level gains." Could use editing to remove passing voice and improve clarity	
p.2, box ES1	"levering" Highlighted but no comment	Agree that "Levering" is better. Changed in Box ES1 and same box, Box 2, in the main text
p.3, para 6	"Indeed, to a great extent, its speed, agility, and relative autonomy proved to be misaligned with UNEP's slower, more deliberative administrative practices. Both the Project and the institution bear responsibility for the tensions that arose." This statement misses the point - the Inquiry was set up by design as a "pop up" think tank, a vehicle to fast track UNEP's work on sustainable finance. the whole structure was designed around this strategic intent, hence the outsourcing of admin to UNOPS which created institutional tensions, particularly for uptake inside of UNEP....	To better integrate the spirit and substance of these comments, we have edited paragraph 6 which now includes the following text: "From the outset, the strategic intent of the Inquiry Project was to fast-track UNEP's work on sustainable finance, which yielded important benefits. At the same time, however, Inquiry's hard-charging, disruptive operating style, the outsourcing of its project administration to UNOPS, and other factors contributed to institutional tensions and lack of uptake of the project within UNEP. Both the project and the institution bear responsibility for the tensions that arose." In making these changes, though, we also may spark another round of comments by UNEP/Inquiry readers
p.3, para 6	"One unintended consequence of the rise of sustainable finance to which Inquiry and many other organizations contributed has been the resulting higher cost of capital for emerging economies." This would need to be demonstrated - otherwise unsubstantiated allegation	We've softened the wording in the Executive Summary to signal that Inquiry and others "may" have contributed to this issue. Later, in paragraph 60, we have added a new footnote that cites the following quote from an OECD-UNDP paper, which drew this analysis from Inquiry's own 2018 paper on this issue: "Taking externalities due to climate change into account may increase the risk or premium of investment in developing economies, adding to a potential additional real or perceived risk due to governance or corruption issues, and

Place in text	Comment	Evaluators' Response
		make emerging market sovereign issuers[49]." The footnote also makes the point that the broader sustainable finance field needs more research on this issue Still, it is important to note here that several emerging market interviewees told us that the higher cost of capital is, in fact, an issue for their economies
p.4, para 9, items 4) and 5)	"4)1) Request Economy Division to develop and implement a fully-fledged gender equality strategy to be integrated into all its policies, programs, and projects. 5)4)Request Economy Division to conduct an analysis on the integration of targeted programming for SIDS, LDCs, indigenous organizations and other marginalized groups across the Division's portfolio. These are not terribly useful recommendations. Rather than putting the focus on economy division alone, perhaps the recommendation is to UNEP evaluation office to track and assess overall UNEP performance on these two issues...	In the spirit of a response from the Evaluation Office, we have added the following to the introductory paragraph to the recommendations in the Exec Summ and in the main text: "Several recommendations are directed to UNEP's Economy Division, the host division of the Inquiry and GEF projects, with the recognition that these approaches can be adapted across the broader UNEP framework."
p.15, para 32	"—was audacious, stated then as: "the financial system is fully aligned with the needs of sustainable development," and specifically with the real, green, and inclusive economy." This is more like it!	
p.15, para 34	"Actually, Inquiry was about sustainable finance and by that we meant green finance. By green finance we meant finance that reduces carbon emissions.	Adjusted the paragraph to reflect this sequencing

[49] UNEP, Imperial College Business School, SOAS (2018), Climate Change and the Cost of Capital in Developing Countries, https://unepinquiry.org/publication/climate-change-and-the-cost-of-capital-in-developing-countries/ Taken from 2020. OECD / UNDP. Framework for SDG Aligned Finance

Place in text	Comment	Evaluators' Response
	And by carbon we meant oil and gas and other hydrocarbon-intense industries." Reductionist: this is where it ended up not where it began…	
p.20, para 41	"More problematic, it turned out, was the Inquiry's inadequate fit with, and unclear connection into, UNEP's mainstream programmatic and administrative systems. The PIMS monitoring and reporting framework was adequate to the project's needs, but there were inconsistencies and incompleteness in the project's PIMS reporting, with heavier focus placed on reporting on milestones rather than achieving established key performance indicators (KPIs)" This misses the larger tension between the high speed vehicle (Inquiry) and the capacity for substantive uptake within UNEP - which ultimately led to loss of value to UNEP but which perhaps created spin-off value for the rest of the world...	Paragraph edited to capture this distinction
p.21, para 43	"Broadly speaking, in the western world at least, the framing of this space moved from the narrower concept of green finance to the more inclusive concept of sustainable finance." and yet at the Inquiry led the G20 finance group work it got pushed into the "green finance" corner – e.g., green bonds, instruments etc rather than the big picture view of sustainable finance on regulatory and financial markets governance issues	We've integrated this sentence into paragraph 43. "Interestingly, in its G20 work, Inquiry was pushed to focus more on green finance, perhaps influenced by China's framing and what was politically feasible across member countries." [The fact is, we didn't have time to explore this issue in detail, so we also have added a new footnote noting that the evaluation did not have the time or the resources to explore this issue further. But we believe China and the politics of the broader G20 membership pushed the study group/working group in this direction]
p.25, para 54	"effectively green the financial system." This shorthand is not effective - better to explain what you mean by "greening the financial system"...	We don't see the need to edit the text; this reflects the language at the time and the progression is discussed elsewhere and references to the relevant documents have been provided
p.26, section 57	"agenda for greening the financial system." Highlighted but no comment	Same as above

Place in text	Comment	Evaluators' Response
p.46, item 3)	"While UNEP has designated GGKP, its Green Economy team, and UNEP-FI to pursue follow-on activities sparked by Inquiry, there was no planned, systematic, smooth on-ramp into mainstream UNEP programming, though Inquiry itself had proposed several options. This should, and could, have been planned more definitively from the outset." or not. perhaps the question for UNEP going forward is, when is a race car necessary and for how long; and then perhaps, what bits of this can be usefully reattached to UNEP once the race is over...	Good observation, and metaphor; no changes made
p.46, item 4)	"Any Inquiry-type intervention must be able to move rapidly and opportunistically, with agility and responsiveness, and will require an administrative system that can accommodate and keep pace with those needs." while recognizing the trade-offs of outsourcing the admin and running at two speeds - eg limiting uptake within the organization unless explicitly designed into the project.	We have added this sentence to item 4): "Dedicated administrative support could be built into co-financing arrangements, which would create organizational structures that allocate time to supporting and reporting on project outputs."
p.46, item 5	Good point	
p.48, item 2), The Opportunity	Good point	
p.49, item 6	"Instituting a gender equality strategy in Economy Division would require new and existing projects in sustainable finance, sustainable infrastructure, and the green economy to undergo a gender analysis to identify any gaps and could contribute to the development of an updated corporate gender policy and action plan that would interface with, and inform, the future MTS." Let's not limit this to Economy Division.	As noted above, in the introductory paragraph to the recommendations, we have added a sentence on the possibility of elevating these recommendations to Economy Division to the institution-wide level

Annex B – List of Interviewees

United Nations Environment Programme

- Inger Andersen, Executive Director
- Ligia Noronha, Head of UNEP Office, New York; former Director, Economy Division, Nairobi
- Satya Tripathi, former Head of UNEP Office, New York; former Supervisor of UNEP Project Manager
- Sheila Aggarwal-Khan, Director, Economy Division, Nairobi; Supervisor of UNEP Project Manager; former Project Manager
- Steven Stone, Chief, Resources and Markets Branch, Geneva; former Inquiry Project Manager
- Ruth Couttu, Portfolio Manager, GEF Project, CCM Unit
- Geordie Colville, Portfolio Manager, GEF Project, CCM Unit
- Fulai Sheng, Progamme Manager, GEF Project
- Julien Lheureux, Programme Management Officer, GEF Project, CCM Unit
- Rowan Palmer, Programme Officer, GEF Project
- Leena Darlington, Administrative Officer, former FMO, GEF Project, CCM Unit
- Fatma Twahir, Administrative Officer, Current FMO, GEF Project, CCM Unit
- Camille Andre, Manager, Green Finance Platform, GGKP

United Nations Development Programme

- Achim Steiner, Administrator, New York; former Executive Director, UNEP
- Stephen Nolan, Managing Director, Financial Centres for Sustainability and Head of Secretariat, Sustainable Insurance Forum

United Nations Department of Economic and Social Affairs

- Elliott Harris, Assistant Secretary-General; former Head of UNEP's New York Office

UNEP Inquiry

- Benjamin Simmons, Head, Green Growth Knowledge Partnerships, and Inquiry Head of Secretariat
- Eric Usher, Head, UNEP-Finance Initiative; former Inquiry Project Manager
- Mahenau Agha, Former Inquiry Co-Director and Head of Communications; GEF Project Director, Execution of Components 1 and 2
- Nick Robins, Professor in Practice, LSE Grantham Institute; former Co-Director, Inquiry
- Simon Zadek, Finance for Biodiversity; former Co-Director, Inquiry
- James Ndale, FMO, Corporate Service Division, Inquiry Finance Management Officer
- Mark Halle, Senior Fellow, International Institute for Sustainable Development; former Senior Advisor
- Marcos Mancini, UNOPS Consultant; former G20 Focal Point
- Nana-Ofori Okyere, Administrative Officer
- Felicity Perry, former Coordinator and Head of Implementation/Operations Coordinator
- Jeremy McDaniels, Senior Policy Advisor, Sustainable Finance, Institute of International Finance; former Head, Sustainable Insurance Forum, FC4S Network, Inquiry Project

Partner Representatives

World Bank
- Rong Zhang, Sustainable Banking Network, international Finance Cooperation

G20 Sustainable Finance Working Group
- Ma Jun, current (and former) Co-Chair, G20 Sustainable Finance Working Group; Director, Center for Finance and Development, Tsinghua University; former Chief Economist, Research Bureau, People's Bank of China

Sustainable Digital Finance Alliance
- Marianne Haahr, Director

MAVA Foundation
- Holger Schmid, Director, Sustainable Economy Programme

International Union for Conservation of Nature
- Bruno Oberle, Director General; SDFA Board Member; former Inquiry Advisory Council member and early funder

Tufts University, Fletcher School of Law and Diplomacy
- Rachel Kyte, Dean; former Inquiry Advisory Council member; former Vice-President, Sustainable Development, World Bank

Country Partners

Kenya
- Nuru Mugambi, former Director of Communications and Public Affairs, Kenya Bankers' Association

India
- Shrashtant Patara, Chief Executive Officer, Development Alternatives
- Kanika Verma, Associate Vice-President, Development Alternatives

Mexico
- Rafael Del Villar Alrich, Outreach with NGFS; Chief Advisor to the Governor, Central Bank of Mexico
- Particia Moles, Green Finance Specialist, Office of the Governor, Central Bank of Mexico

Nigeria
- Olumide Lala, Principal, The Climate Transition

Mongolia
- Nomindari Enkhtur, Portfolio, Manager, Joint UN SDG Fund
- Tumurkhuu Davaakhuu, Chief Executive Officer, Audubon Portland; former National Coordinator, UNEP Sustainable Finance Roadmap

Kazakhstan
- Milana Takhanova, Senior Economist, AIFC Green Finance Center

Unaffiliated Sustainable Finance Experts
- Marc-André Blanchard, Executive Vice President International, CDPQ

- Manmohan Kumar, Consultant, CDPQ
- Scott Vaughan, IISD Senior Fellow and International Chief Advisor, CCICED

Table B.1: Gender Disaggregation of Interviewees

Organization / Country		Male	Female
United Nations Environment Programme		6	7
United Nations Development Programme		2	0
United Nations Department of Economic and Social Affairs		1	0
UNEP Inquiry Directors and Staff		9	2
Partner Representatives		3	3
Country Partners		4	5
Unaffiliated Sustainable Finance Experts		3	0
Total	***45 interviewees***	**28**	**17**

Source: Authors

Annex C – Documents Reviewed

This is a selection of relevant documents reviewed for the evaluation. Most of these documents are drawn from: UNEP 01661 - Inquiry into the Design of a Sustainable Financial System: Policy Innovations for a Green Economy, PIMS Reports, 2014-2021

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https://unccelearn.org/mod/scorm/view.php?id=3041

Annex D – Interview Guide

Interviewee	Interviewer	Date	Location

Introduction

Thank you for taking the time to speak with me/us. As you know, UNEP's Office of Evaluation has commissioned us to carry out a Terminal Evaluation of the Inquiry Project into the Design of a Sustainable Financial System, which operated from 2014 to 2021. As our terms of reference state: "The ultimate objective of the project was to change the practices of financial institutions and institutional investors, through the engagement of financial regulators and financial institutions as key stakeholders. The primary outcome of the project was to raise awareness among policy makers and financial practitioners of the potential gains from greening the financial system and a secondary outcome of designing options from Inquiry for capital market regulations that drive investment at greater scale towards a green and inclusive economy and inform and orient policy debates on establishing a sustainable financial system." The project attracted extra-budgetary funding from, among others, the European Union, Germany, Ireland, Italy, Switzerland, and the United Kingdom.

In 2018, the work of the Inquiry was supported by a multi-year grant from the Global Environmental Facility (GEF) to UNEP. Running through mid-2022, the GEF project aims to address greenhouse gas emission mitigation and has an overall objective to 'build international consensus to align financial systems with the Sustainable Development Goals [SDGs] and catalyse national regulatory actions and regional sustainable infrastructure investments." In late 2021, updated roadmaps for national sustainable financial systems were finalized by country partners including China, India, Kazakhstan, Mexico, Mongolia, and Nigeria.

Evaluation Purposes

The Terminal Evaluation of the Inquiry Project has two main purposes:

1) To provide evidence of results to meet accountability requirements; and
2) To promote operational improvement, learning and knowledge sharing through results and lessons learned among UNEP and the main project partners and key stakeholders.

Informed Consent

All your responses to the questions that follow will be treated in the strictest confidence. All interviewee responses will remain anonymous in our reports and briefings. You may choose not to answer any question. If you agree, we would like to take notes on your responses, but we will not record this interview electronically.

BACKGROUND

1) Your involvement with the Inquiry Project

1a) Please describe your involvement with the Inquiry Project. What was your role? What period of time does/did your involvement cover?

1b) What specific aspects of Inquiry's work were you/have you been involved in?

OVERALL ASSESSMENT

2) Your overall assessment

2a) In your view, what main *problem/issue* was Inquiry seeking to solve?

2b) What were the main elements in the *Inquiry approach or model*?

2c) In your experience, what have been the most *significant achievements* of the Inquiry Project?

2d) What challenges have constrained the effectiveness of the Inquiry Project?

2e) Looking ahead, what opportunities exist for UNEP to *apply the Inquiry approach* in the years ahead?

EVALUATION QUESTIONS

3) Effectiveness

3a) To what extent has the Inquiry Project been *effective* (in terms of outputs, outcomes, strategies)?

3b) Please give examples of significant results that can be *attributed* to Inquiry, or to which Inquiry demonstrably *contributed*?

3c) Are you aware of any notable *unintended effects* of the Project's work, positive or negative? (Please give examples).

3d) In your experience, were there instances where the Inquiry Project played a clear catalytic role in the scaling up or replication of relevant policies, regulations, or platforms at the global, regional, or national levels? (Please give examples).

4) Efficiency

4a) In your view, what are the *most important factors* to consider in assessing the efficiency of the Inquiry Project?

4b) To what extent did Inquiry operate on a cost-effective basis? (Please give examples).

4c) To what extent were the Inquiry's activities and deliverables *timely*? (Please give examples).

4d) To what extent and in what ways did the Inquiry Project make use of *existing institutions, agreements, partnerships and data i*nside and outside UNEP? (Please give examples).

5) Relevance

5a) In 2014-2015, to what extent was Inquiry's original mandate aligned with *UNEP's Medium-Term Strategy and strategic priorities*?

5b) To what extent was Inquiry's original mandate aligned with *donor and partner strategic priorities*?

5c) In the wake of COP26, what opportunities exist for UNEP to *adapt and apply the Inquiry approach* in the years ahead?

6) Sustainability

6a) To what extent are the results generated by the Inquiry Project sustainable, either 1) in *socio-political* terms, 2) in *financial* terms, or 3) in *institutional* terms (inside and outside UNEP). (Please be specific).

6b) What are the main *threats* to the sustainability of its results? (Please be specific).

7) Performance Factors/Cross-Cutting Issues

7a) To what extent and in what ways were *preparation and readiness* factors affecting the performance of the Inquiry Project? (Please give examples).

7b) To what extent and in what ways was the *quality of project management and supervision* a factor that influenced performance? (Please give examples).

7c) To what extent and in what ways was *stakeholder participation and cooperation* a factor in project performance for Inquiry? (Please give examples).

7d) To what extent and in what ways was *responsiveness to human rights and gender equity* a factor that influenced project performance? (Please give examples).

7e) To what extent and in what ways was *country ownership and driven-ness* a factor that influenced project performance? (Please give examples).

7f) To what extent were *communication and public awareness* factors that influenced project performance? (Please give examples).

ADDITIONAL COMMENTS

8) Please add any other comments or observations that you would like to make.

RECOMMENDATIONS ON PERSONS AND DOCUMENTS TO CONSULT

9) Are there other individuals you would recommend we consult for this evaluation (including email, telephone coordinates)?

10) Can you recommend any specific documents or links that we should review in the course of this evaluation?

THANK YOU

Thank you very much for taking the time to speak with us. In the first half of 2022, UNEP's Evaluation Office will make available a summary of the findings of this evaluation.
We wish you every success in your work.

Annex E – Administration & Management of the Inquiry Project, 2014/21

INQUIRY INTO THE DESIGN OF A SUSTAINABLE FINANCIAL SYSTEM OVERVIEW
ADMINISTRATIVE AND IMPLEMENTATION MANAGEMENT BY UNEP OF INQUIRY PROJECT

Administrative Management

Project	UN Environment Programme Inquiry			
	Project Management			
Item No.	**Description**	**Division**	**PERIOD**	
			FROM	**TO**
1	Inquiry Launch	Economy Division	Jan-14	
2	Initially hosted by Economy Div	Economy Division	Jan-14	Dec-16
3	First shift from Economy Div - Policy Div	Policy Division (Michele Candotti)	Jan-17	Aug-17
4	Shift within the Policy Div	Policy Division (Sheila Aggarwal-Khan)	Sep-17	Jan-18
5	Shift within the Policy Div	Policy Division (Gary Lewis)	Feb-18	Dec-18
6	Policy Div - New York Office	New York Office (Satya Tripathi)	Jan-19	Aug-19
7	New York Office - Economy Div	Economy Division (Ligia Noronha, Steven Stone, Eric Usher)	Sep-19	Dec-21

Project	UN Environment Programme Inquiry			
	FMO'S			
Item No.	**Description**	**Division**	**PERIOD**	
			FROM	**TO**
1	Satu/Sylvie Varloud	Economy Division	Jan-14	May-15
2	Ardeshir Zamani	Economy Division	Jun-15	Feb-17
3	Giba Koroma	Corporate services	Mar-17	Apr-19
4	Onesmus	Corporate services	May-19	Jan-20
5	James Ndale	Corporate services	Feb-20	til date

Project	UN Environment Programme Inquiry			
	Implementation Agency (UNOPS)			
Item No.	**Description**	**Division**	**PERIOD**	
			FROM	***TO**
1	UNOPS Geneva		Jan-14	May-17
2	UNOPS Nairobi		Jun-17	Dec-21

Source: UNEP Inquiry Project, 2021

Annex F – Actual Expenditures, 2014-2021

Budget Summary

TYPE OF FUNDING	SOURCE OF FUNDING	Details	2014	2015	2016	2017	2018	2019	2020	2021	Total
CASH	Environment Fund activity budget		1,200,000	500,000				100,000			1,800,000
	TOTAL EF/RB BUDGET		1,200,000	500,000	-	-	-	100,000	-		1,800,000
	Extrabudgetary Funding (posts + non-post+PSC)	Norway interest(8%	777,600	962,400							1,740,000
		Norway/MOE (7%)		101,150							101,150
		Swiss(FOEN)(13%)	395,642	170,606	291,262	200,000					1,057,511
		DFID(8%)		300,067							300,067
		EC(7%)			802,515						802,515
		Germany BMUB (13%)			864,748	1,357,179					2,221,927
		Germany BMZ (13%)			708,068	373,120					1,081,188
		Climateworks (13%)				337,890		280,000	20,000		637,890
		MAVA (13%)				438,510					438,510
	Transferred directly to UNOPS	Italy			1,164,291	763,658					1,927,949
		Italy (12%)				716,846	346,821	370,975	583,957		2,018,599
		MPTF (7%)					238,985				238,985
		IUCN (13%)		27,337							27,337
		Luxembourg (13%)						284,414	276,478		560,892
	Transferred directly to UNOPS	Foreign Commonwealth Office			280,775	58,064					338,839
	Sub total (Secured)		2,373,242	2,061,560	4,111,659	4,245,267	585,806	1,035,389	880,435		15,293,359
In-Kind	Sub-allotment	UNEP FI					55,831				55,831
	Sub-allotment	UNEP FI Skoll						37,170	-		37,170
	Sub-allotment	GEF			30,000		-	564,975		49,000	643,975
		BRI					200,000				200,000
	Sub total		-	-	30,000	-	255,831	602,145	-	49,000	936,976
	GRAND TOTAL		**2,373,242**	**2,061,560**	**4,141,659**	**4,245,267**	**841,637**	**1,637,534**	**880,435**	**49,000**	**16,230,335**

Source: Corporate Services Division, Finance, UNEP, 2022

Green Finance (Components 1 & 2) – Annual Expenditure Report

GREEN FINANCE (COMPONENTS 1 & 2) - ANNUAL EXPENDITURE REPORT

Project title:	Aligning the financial system and infrastructure investments with sustainable development - a transformational approach			
Project number / WBS:	9775 / S1-32GFL-000615 ; SB-011370.02			
Project Implementing Unit:	UNEP - Economy Division - Energy & Climate Branch - Climate Mitigation Unit			
Project executing agency/organization:	UNEP - Economy Division - GGKP			
Project implementation period:	From:	Jan-19	To:	Aug-21
Reporting period:	From:	Jul-21	To:	Dec-21

Class		Description	Approved budget: Total project budget (Rev 3)	Current YEAR budget (Rev 3)	Actual expenditures incurred: Actual expenditures for current YEAR to Date	Actual Expenditures for current SEMESTER	Total Actual expenditures for current YEAR	Cummulative expenditures for previous YEARS	Total cummulative expenditures to date	Unliquidated Commitments at end of the SEMESTER	Unconsumed Budget at End of the SEMESTER	Projected Expenditure for next Semester (S1 2022)
			A	B	C	D	E=C+D	F	G=E+F	H	I=A-G-H	J
		COMPONENT 1										
010		**Staff & Personnel (Including Consultants)**										
	C1-1201	Green Finance Senior Advisor	131,000	20,000			-	81,000	81,000		50,000	50,000
	C1-1202	Green Finance Technical Advisor	10,750				-	10,750	10,750		0	
	C1-1203	Green Finance Technical Coordinator	87,625				-	27,600	27,600		60,025	60,025
	C1-1204	National Consultant - China	74,142	74,142	73,915		73,915	-	73,915		227	
	C1-1205	National Consultant - Kazakhstan	49,000	49,000	29,590	17,715	47,305	-	47,305		1,695	
	C1-1206	National Consultant - India	40,943	40,943	36,900	5,337	42,237	-	42,237		-1,294	
	C1-1207	National Consultant - Mexico	40,404	24,996	21,119		21,119	15,408	36,527		3,877	
	C1-1208	National Consultant - Mongolia	70,000	50,000	31,980	20,288	52,268	-	52,268		17,732	20,000
	C1-1209	National Consultant - Nigeria	60,000	40,000	42,237		42,237	-	42,237		17,763	20,000
	C1-1301	Administrative Assistant	52,475	14,975			-	22,500	22,500		29,975	29,975
		Sub-total	616,339	314,056	235,741	43,340	279,081	157,258	436,339	-	180,000	180,000
125		**Operating & Other Costs**										
	C1-4101a	Green Finance - office rent and maintenance	3,000	-			-	3,000	3,000		0	
		Sub-Total	3,000	-	-	-	-	3,000	3,000	-	0	-
130		**Supplies, Commodities & Materials**										
	C1-4101b	Green Finance - office costs (expendable equipment)	500	-			-	500	500		0	
		Sub-Total	500	-	-	-	-	500	500	-	0	-
135		**Equipment, Vehicles & Furniture**										
	C1-4201	Green Finance - office equipment (non-expendable equipment)	1,500	-			-	1,500	1,500		0	
		Sub-total	1,500	-	-	-	-	1,500	1,500	-	0	-
140		**Transfers & Grants to Implementing Partners**										
	C1-2201	Green Finance Platform Development	35,390	-			-		-		35,390	35,390
		Sub-total	35,390	-	-	-	-	-	-	-	35,390	35,390
160		**Travel**										
	C1-1601	Green Finance travel	20,271	-		-	-	5,271	5,271		15,000	15,000
		Sub-total	20,271	-	-	-	-	5,271	5,271	-	15,000	15,000
		Component 1 Total	677,000	314,056	235,741	43,340	279,081	167,529	446,610	-	230,390	230,390
		COMPONENT 2										
010		**Staff & Personnel (Including Consultants)**										
	C2-1201	Green Finance Senior Advisor	20,290	-			-	20,290	20,290		0	
	C2-1202	Green Finance Technical Advisor	538	-			-	538	538		0	
	C2-1203	Green Finance Technical Coordinator	17,600	-			-	17,600	17,600		0	
	C2-1211	International Consultant - Global Learning Platform	108,000	36,000			-	-	-		108,000	108,000
	C2-1212	Consultant - Communications and Network [new]	85,218	25,218			-	-	-		85,218	85,218
	C2-1301	Administrative Assistant	3,750	-			-	3,750	3,750		0	-
		Sub-total	235,396	61,218	-	-	-	42,178	42,178	-	193,218	193,218
125		**Operating & Other Costs**										
	C2-4101a	Green Finance - office rent and maintenance	3,000	-			-	3,000	3,000		0	-
		Sub-total	3,000	-	-	-	-	3,000	3,000	-	0	-
130		**Supplies, Commodities & Materials**										

Class		Description	Approved budget		Actual expenditures incurred							
			Total project budget (Rev 3)	Current YEAR budget (Rev 3)	Actual expenditures for current YEAR to Date	Actual Expenditures for current SEMESTER	Total Actual expenditures for current YEAR	Cummulative expenditures for previous YEARS	Total cummulative expenditures to date	Unliquidated Commitments at end of the SEMESTER	Unconsumed Budget at End of the SEMESTER	Projected Expenditure for next Semester (S1 2022)
			A	B	C	D	E=C+D	F	G=E+F	H	I=A-G-H	J
	C2-4101b	Green Finance - office costs (expendable equipment)	750	-			-	750	750		0	
		Sub-total	750	-	-	-	-	750	750	-	0	-
135		**Equipment, Vehicles & Furniture**										
	C2-4201	Green Finance - office equipment (non-expendable equipment)	750	-			-	750	750		0	
		Sub-total	750	-	-	-	-	750	750	-	0	-
160		**Travel**										
	C2-1601	Green Finance travel	1,854	-		-	-	1,854	1,854		0	
		Sub-total	1,854	-	-	-	-	1,854	1,854	-	0	-
		Component 2 Total	**241,750**	**61,218**	-	-	-	**48,532**	**48,532**	-	**193,218**	**193,218**
		PROJECT MANAGEMENT COSTS (PMC)										
010		**Staff & Personnel (Including Consultants)**										
	PM-1203	Green Finance Technical Coordinator	80,377	-			-	50,602	50,602		29,775	29,775
	PM-1212	Administrative support	16,448	-			-	16,448	16,448		0	
		Sub-total	96,825	-	-	-	-	67,050	67,050	-	29,775	29,775
130		**Supplies, Commodities & Materials**										
	PM-4101	Green Finance - office costs (expendable equipment)	925	-			-	925	925		0	
		Sub-total	925	-	-	-	-	925	925	-	0	-
135		**Equipment, Vehicles & Furniture**										
	PM-4201	Green Finance - office equipment (non-expendable equipment)	2,000	-			-	2,000	2,000		0	
		Sub-total	2,000	-	-	-	-	2,000	2,000	-	0	-
		PMC Total	**99,750**	-	-	-	-	**69,975**	**69,975**	-	**29,775**	**29,775**
		GRAND TOTAL	1,018,500	375,274	235,741	43,340	279,081	286,036	565,117	-	453,383	453,383

Source: Green Finance (Components 1 & 2) - Annual Expenditure Report, December 2021

Annex G – Inquiry Project: Weightings Table for Evaluation Criteria Ratings

Evaluation criteria	Rating	Score	Weight	Weighted Score
Strategic Relevance (select the ratings for sub-categories)	Satisfactory	5.00	6	0.3
Alignment to UNEP's MTS, POW and strategic priorities	Satisfactory	5	0.5	
Alignment to Donor/Partner strategic priorities	Satisfactory	5	0.5	
Relevance to regional, sub-regional and national issues and needs	Satisfactory	5	2.5	
Complementarity with existing interventions	Satisfactory	5	2.5	
Quality of Project Design	Satisfactory	5	4	0.2
Nature of External Context	Highly Favourable			
Effectiveness (select the ratings for sub-categories)	Highly Satisfactory	5.78	45	2.6
Availability of outputs	Highly Satisfactory	6	5	
Achievement of project outcomes	Highly Satisfactory	6	30	
Likelihood of impact	Likely	5	10	
Financial Management (select the ratings for sub-categories)	Satisfactory	5.00	5	0.3
Adherence to UNEP's policies and procedures	Satisfactory	5		
Completeness of project financial information	Satisfactory	5		
Communication between finance and project management staff	Satisfactory	5		
Efficiency	Satisfactory	5	10	0.5
Monitoring and Reporting (select the ratings for sub-categories	Satisfactory	5.00	5	0.3
Monitoring design and budgeting	Satisfactory	5		
Monitoring of project implementation	Satisfactory	5		
Project reporting	Satisfactory	5		
Sustainability (select the ratings for sub-categories)	Likely	5.00	20	1.0
Socio-political sustainability	Likely	5		
Financial sustainability	Likely	5		
Institutional sustainability	Likely	5		
Factors Affecting Performance (select the ratings for sub-catego	Satisfactory	5.06	5	0.3
Preparation and readiness	Satisfactory	5		
Quality of project management and supervision	Satisfactory	4.50		
UNEP/Implementing Agency: *(select the ratings for sub-categories)*	Moderately Satisfactory	4		
Partner/Executing Agency: *(select the ratings for sub-categories)*	Satisfactory	5		
Stakeholder participation and cooperation	Highly Satisfactory	6		
Responsiveness to human rights and gender equity	Moderately Satisfactory	4		
Environmental and social safeguards	Satisfactory	5		
Country ownership and driven-ness	Highly Satisfactory	6		
Communication and public awareness	Highly Satisfactory	6		
			100	5.35
			Highly Satisfactory	

Select ratings in this column from the drop down menu

scores and weighted scores are generated automatically

Annex H – GEF Project: Weightings Table for Evaluation Criteria Ratings

Evaluation criteria	Rating	Score	Weight	Weighted Score
Strategic Relevance	**Satisfactory**	**5.00**	6	0.3
Alignment to UNEP's MTS, POW and strategic priorities	Satisfactory	5	0.5	
Alignment to Donor/Partner strategic priorities	Satisfactory	5	0.5	
Relevance to regional, sub-regional and national issues and needs	Satisfactory	5	2.5	
Complementarity with existing interventions	Satisfactory	5	2.5	
Quality of Project Design	Satisfactory	5	4	0.2
Nature of External Context	Favorable	2		
Effectiveness	**Satisfactory**	**5.00**	45	2.3
Availability of outputs	Satisfactory	5	5	
Achievement of project outcomes	Satisfactory	5	30	
Likelihood of impact	Likely	5	10	
Financial Management	**Satisfactory**	**5.00**	5	0.3
Adherence to UNEP's policies and procedures	Moderately Satisfactory	4		
Completeness of project financial information	Satisfactory	5		
Communication between finance and project management staff	Satisfactory	5		
Efficiency	Satisfactory	5	10	0.5
Monitoring and Reporting	**Satisfactory**	**5.00**	5	0.3
Monitoring design and budgeting	Satisfactory	5		
Monitoring of project implementation	Satisfactory	5		
Project reporting	Satisfactory	5		
Sustainability	**Likely**	5.00	20	1.0
Socio-political sustainability	Likely	5		
Financial sustainability	Likely	5		
Institutional sustainability	Likely	5		
Factors Affecting Performance	**Satisfactory**	**4.94**	5	0.2
Preparation and readiness	Satisfactory	5		
Quality of project management and supervision	Satisfactory	4.50		
UNEP/Implementing Agency	Moderately Satisfactory	4		
Partner/Executing Agency	Satisfactory	5		
Stakeholder participation and cooperation	Satisfactory	5		
Responsiveness to human rights and gender equity	Satisfactory	5		
Environmental and social safeguards	Satisfactory	5		
Country ownership and driven-ness	Highly Satisfactory	6		
Communication and public awareness	Satisfactory	5		
			100	**5.00**
			Satisfactory	

Annex I – Terms of Reference

Terminal Evaluation of the UNEP project

Inquiry into the Design of a Sustainable Finance Systems: Policy Innovations for a Green Economy (PIMS ID 01661/623.2)

Incorporating the GEF-funded project **Aligning the Financial System and Infrastructure Investments with Sustainable Development – a Transformational Approach**[50] (GEF ID 9775)

Section 1: PROJECT BACKGROUND AND OVERVIEW

Project General Information

Table 2. Project summary: INQUIRY

UNEP PIMS ID:	01661	**GEF ID**	9775
Implementing Partners			
Relevant SDG(s) and indicator(s):	Goal 1: End poverty in all its forms everywhere = Target 1.a + Target 1.b Goal 2: End of hunger, achieve food security and improved nutrition and promote sustainable agriculture = Target 2.3 + Target 2.a 2.b 2.c Goal 3: Ensure healthy lives and promote well-being for all at all ages = Target 3.8 + Target 3.c Goal 5: Achieve gender equality and empower women and girls = Target 5.a + 5.b Goal 8: Promote sustainable, inclusive and sustainable economic growth, full and productive employment and decent work for all = Target 8.1 – 8.b Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation = Target 9.1 – 9.c Goal 10: Reduce inequality within and among countries = Target 10.1 – 10.c Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable = Target 11.1 – 11.c Goal 12: Ensure sustainable consumption and production patterns = Target 12.6, Goal 13: Take urgent action to combat climate change and its impact = Target 13,1 Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development = Target 14.6 + Target 14.7 Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification,		

[50] This project has three outcomes: i) Governments agree to develop, implement and measure the impact of one or more recommendation(s) from their country roadmaps; ii) Building international consensus on best practices (e.g. policies, regulations, standards and norms) to green the financial system and iii) Investment community is sensitised to the benefits of green infrastructure investment principles. Only outcomes 1 and 2 were the responsibility of the Inquiry.

	and halt and reverse degradation and halt biodiversity loss = Target 15.a + 15.b Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels = Target 16.4 + Target 16.5 + Target 16.6 Goal 17: Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development = Target 17.1 – 17.5 + Target 17.13			
Sub-programme:	Resource Efficiency	**Expected Accomplishment(s):**	(2020-2021) EA (b): Public, private and finance sectors increasingly adopt and implement sustainable management frameworks and practices.	
UNEP approval date: **GEF approval date:**	9th January 2014	**Programme of Work Output(s):**	623 (2014-2015)	
***Expected* start date:**	9th January 2014	**Actual start date:**	9th January 2014	
***Planned* completion date:**	31st December 2015	**Actual operational completion date:**	31st December 2021	
***Planned* project budget at approval:**	USD 3,946,861	**Actual total expenditures reported as of [date]:**	??	
***Planned* GEF grant:**	USD 2,000,000 (MSP)	**Actual total expenditures reported as of [date]:**	??	
***Planned* Environment Fund allocation:**	USD 1,200,000	**Actual Environment Fund expenditures reported as of [date]:**	??	
***Planned* Extra-Budgetary Financing:**	USD 2,746,861	**Secured Extra-Budgetary Financing:**	??	
		Actual Extra-Budgetary Financing expenditures reported as of [date]:	??	
First disbursement: **GEF First disbursement:**	??	**Planned date of financial closure:**	31/12/2021	
No. of formal project revisions:	4	**Date of approved project revisions:**	11/12/2015 05/11/2017 ?? 20/02/2020	
No. of Steering Committee meetings:	??	**Date of last/next Advisory Council meeting:**	Last: 05/052015	Next: Advisory Council

				was for 2 years only
Mid-term Review/ Evaluation *(planned date):*		**Mid-term Review/ Evaluation (actual date):**	Internal Review completed in December 2019	
Terminal Evaluation *(planned date):*	June-Dec 2018	**Terminal Evaluation (actual date):**	Jan – June 2021	
Coverage - Country(ies):	Global: Implementing countries (under the GEF project): China, India, Kazakhstan, Nigeria, Mexico, Mongolia. Plus: Argentina, Australia, Belgium, Bangladesh, Brazil, Canada, Colombia, Costa Rica, ECOWAS, Egypt, European Union, France, Germany, Ghana, Guernsey, Hong Kong, Ireland, Indonesia, Italy, Japan, Kenya, Korea, Liechtenstein, Luxembourg, Malaysia, Morocco, Netherlands, New Zealand, Russia, Saudi Arabia, Singapore, Spain, South Africa, South Korea, Switzerland, Sweden, Turkey, Uganda, United Arab Emirates, United Kingdom, United States of America, and the countries of the G20.	**Coverage - Region(s):**	Global	
Dates of previous project phases:	N/A	**Status of future project phases:**	Various activities will be spun out in the following categories: a) within UN Environment; b) specifically with UNEP FI and GGKP; c) independent platforms; and d)	

			linkages to new institutions

1. Project Rationale

1. Mobilizing the world's capital is considered essential for the transition to a sustainable, low-carbon economy. However, too little capital is supporting that transition, and too much continues to be invested in a high-carbon and resource-intensive, polluting economy. It was estimated (20XX) that up to USD 6 trillion a year is needed by 2030 for cleaner and more resilient energy, water, transport and urban infrastructure. Public Finance is pivotal but can only provide a small share of what is required.

2. Private capital will have to meet the bulk of these investment needs. However, only a fraction of the private financing needed for the green economy is forthcoming. Green investments can generate positive financial returns but are disadvantaged by the prevailing rules and incentives governing investor behavior. Such rules and incentives result in the misallocation of capital toward high risk, unsustainable and ultimately unprofitable investments.

3. The Inquiry initiative (hereinafter, 'Inquiry') aimed to identify, develop and recommend reforms to the policy and regulatory arrangements governing financial markets that would deliver a step change in their effectiveness in channeling capital to investments and that would accelerate the transition to a prosperous and inclusive green economy.

4. UNEP had, at the time of the launch of the Inquiry, over 20 years of experience dealing with the sustainability of the finance sector through its UNEP Finance Initiative, a membership organization which brings together institutions from the banking, insurance and investment sectors. The aim of the Finance Initiative is to support a sector-wide transformation that fundamentally shifts the way finance operates so that its own processes are both sustainable and support sustainable development. It also aims to develop and deploy practical mechanisms that enable the scaling up of finance for the green economy.

5. The Inquiry, originally designed as a short-term project (2014-15), intended to build on the work of the Finance Initiative and provide a shot in the arm to take the discussions to new levels. The two initiatives were meant to cooperate closely, but the Inquiry was also to look at new players and markets. The Inquiry intended to leverage the Finance Initiative's track record and recognized the role that the Finance Initiative plays in catalyzing finance for a green economy transition. The Finance Initiative was meant to contribute to the Inquiry by helping to mobilise perspectives from the banking, insurance and investment sectors on the "why" and "how" of designing financial systems.

2. Project Results Framework

6. The ultimate objective of the project is to change the practices of financial institutions and institutional investors, through the engagement of financial regulators and financial institutions as key stakeholders. The project was originally structured (2014-2015) around the delivery of two outcomes (one primary and one secondary) and two outputs, as presented in the table below.

Table 2. Project outcomes and outputs (Project Document, 11/12/2014)

Outcomes	Outputs
Awareness raised amongst policy makers and financial practitioners of the potential gains from greening the financial system (primary outcome).	Catalyzing and operationalizing a network of researchers, practitioners and policy makers focused on developing design options for a green financial system.
Design options from Inquiry for capital market regulations that drive investment at greater scale towards a green and inclusive economy inform and orient policy debates on establishing a sustainable financial system.	Development of credible options for financial policy and regulatory measures and market standards that would, if adopted, significantly raise the allocation of capital to finance the transition to a green economy.

Source: Project Document, 11/12/2014

7. Upon submission of the project extension request in November 2015, the logframe was revised to consist of one outcome and three outputs, as per the table below. The work program for 2016-2018 (extended to end 2021) explains that the Inquiry would focus, in its second phase, on three core components, namely: a) high level policy engagement, b) the rollout and downstream development of its work and c) the development of the research agenda. Additionally, a fourth component intended to continue cooperation within UNEP, with the intention to develop UNEP's leadership role in this space and cooperate with the Finance Initiative and the Economics and Trade Branch.

Table 3. Project outcomes and outputs (Revision 4, 06/02/2020)

Outcome	**Outputs**
Uptake of the Inquiry's key policy findings advances the sustainable financial reform agenda (from design to delivery).	A) G20 Green Finance Study Group supported and serviced by Inquiry team.
	B) Rollout and downstream development of the work of the Inquiry, and production of an annual report
	C) Development of the research agenda identified through Inquiry's Global report including analysis of 'orphan' subjects (i.e. identified during the course of the first two years of the Inquiry that were not addressed).
	D) UNEP's leadership role in advancing a sustainable financial system strengthened, in particular, through close collaboration with UNEP Finance Initiative

Source: Revised Project Document, 06/02/2020)

8. Since 2019 there have been three workstreams being implemented under the current Inquiry project document: Sustainable Insurance Forum (SIF); International Network of Financial Centres for Sustainability (FC4S network) and GEF In-Country Work.

Three versions of the Theory of Change for this project are presented in narrative form in the internal document 'Review of the Inquiry', 2019.

9. The GEF project (ID 9775) addresses the GEF Core Indicator 6 – Greenhouse gas emission mitigated and has the overall objective to *'build international consensus to align financial systems with the Sustainable Development Goals and catalyse national regulatory actions and regional sustainable infrastructure investments.'* The two Project Outcomes and associated Outputs are as below (source: CEO Endorsement Request, 29/05/2018 and Inquiry Project Document, revision 20/02/2020):

Project Outcomes	Outputs
1. Governments agree to develop, implement and measure the impact of one or more recommendations from their country roadmaps	1.1 Tools to assess and measure progress in shaping national financial system and allow benchmarking across countries are developed 1.2 Six partial or complete country roadmaps are drafted 1.3 Roadmap implementation support for 2 countries
2. Building international consensus on best practices (e.g. policies, regulations, standards and norms) to green the financial system	2.1 Dialogues to build consensus around best practices for green financial system are held at international cooperation platforms (G7, G20, the WBG/UN Environment Roadmap on Sustainable Finance and the Group of Friends of SDG Financing)

	2.2 Accompanied learning strategies from national experiences in greening the financial system are developed and agreed 2.3 A global learning platform to build and capture consensus on harmonised green financing policies, regulations and norms is operational
3. Increased commitment by the investment community to the sustainable infrastructure investment principles	3.1 Sustainable Infrastructure Working Group is launched 3.2 Sustainable infrastructure investment principles developed and presented to Working Group investors and stakeholders 3.3 Planned major infrastructure investments are mapped and overlaid against areas of globally significant environmental risk related to 3 MEAs 3.4 Environmental impacts of the mapped infrastructure are estimated 3.5 At least one infrastructure investment is identified, a set of specific sustainable investment criteria is developed, and environmental and socio-economic impacts are modelled 3.6 Measurement framework to track performance against Working Group commitments is developed and tested on at least one infrastructure investment

3. Executing Arrangements

10. The Inquiry had to be operationalized in a short time and it was therefore decided that UN Office for Project Services (UNOPS) would be a key implementing partner. A Memorandum of Understanding between UNEP and UNOPS Geneva was signed in 2014 to expedite the acquisition of key experts, office equipment and supplies. The core team comprised three co-Directors, one for Strategy and Operations, one for Policy and Research, and one for Outreach. The Directors were assisted by a programme officer.

11. Two bodies were formed to provide guidance to the initiative and ensure its effectiveness during its first phase (2014-2015), an external **Advisory Council** and an internal **Project Steering Committee.** The Advisory Council comprised 16 leaders from the worlds of finance regulation, banking and investment, as well as leading academics and experts. The Project Steering Committee was chaired by the Executive Director of UN Environment, with members including the Deputy Executive Director, the Director of the then Division for Technology, Industry and Economics (DTIE)[51], the Assistant Secretary General/New York, the Chef de Cabinet, the head of UNEP FI, the head of the Resources and Markets Branch[52] Green Economy Division, and additional people for specific subjects as required.

12. In May 2016, the Executive Director consolidated the bodies guiding the Inquiry. The **Advisory Council** was no longer formally engaged as a Council; however, the members continued to be engaged bilaterally in the Inquiry's work through research and events. Internally the Project Steering Committee was disbanded and replaced with two bodies: the **Steering Committee on Finance and Environment**; and the **Inquiry Management Board**. In 2017, the incoming Executive Director agreed with the continuation of this arrangement.

[51] DTIE is now called the Economy Division
[52] The Resources and Markets Branch was formerly known as the Economics and Trade Branch.

13. Within UNEP the Inquiry initially reported directly to the Executive Director and was administratively located in the Economy Division, Economics and Trade Branch. In 2017, it was moved to the Strategic, Programme and Policy Division, reporting to the Division Director and its financial and administrative operations were shifted to UNOPS/Nairobi. In November 2018, the Inquiry was shifted administratively in terms of reporting and management to the New York Office under a new Assistant Secretary General. Subsequently, in August 2019, the project was again brought under the leadership of the Economy Division Director in order to be more closely aligned with other UNEP work on sustainable finance. All the above internal movements were associated with substantial leadership/management changes across the organization during the period.

Is there a diagram of the current implementation structure?

4. Project Cost and Financing

14. The Inquiry was launched with a secured budget of 1,200,000 USD, allocated from the Environment Fund reserve at the request of the Executive Director. An additional allocation from the Environment Fund of 500,000 USD was added in 2015. Unsecured funds were estimated at 2,746,861 USD and UNEP in kind contributions were budgeted for 504,000, for the period 2014-2015.

15. According to Revision 2, the total secured budget of the Inquiry for its entire implementation period (2014-2017) was recorded as 12,694,282 USD (excluding in kind contributions), as per table below.

Table 4. Budget 2014-2017

Budget Summary							
TYPE OF FUNDING	SOURCE OF FUNDING	Details	2014	2015	2016	2017	Total
CASH	Environment Fund activity budget		1,200,000	500,000			1,700,000
	TOTAL EF/RB BUDGET		1,200,000	500,000			1,700,000
	Extrabudgetary Funding (posts + non-post+PSC)	Norway interest(8%	777,600	962,400			1,740,000
		Norway/MOE (7%)		101,150			101,150
		Swiss(FOEN)(13%)	395,642	170,606	291,262	200,000	1,057,511
		DFID(8%)		300,067			300,067
		EU(7%)			1,058,201		1,058,201
		Germany BMUB (13%)				2,197,847	2,197,847
		Germany BMZ (13%)			708,068	350,557	1,058,625
		Climateworks (13%)				80000	80000
		MAVA (13%)				438,510	438,510
	Transferred to UNOPS except amend 1 which was transferred to UNEP	Italy			1,164,291	1,459,241	2,623,532
	Transferred directly to UNOPS	Foreign Commonwealth Office			280,775	58,064	338,839
	Sub total		2,373,242	2,034,223	3,502,597	4,784,219	12,694,282
UNSECURED		IUCN,GEF,German BMUB, Climate works				1,703,852	1,703,852
	Sub total						1,703,852
	TOTAL						14,398,133

Year 1: 2014	Year 2: 2015	Year 3: 2016	Year 4: 2017	Year 5: 2018
USD 2,373,242	USD 2,034,223	USD 3,502,597	USD 4,784,219	USD 12,694,282

5. Implementation Issues

16. Administratively and operationally, the Inquiry was structured differently from other UNEP projects, with UNOPS as key implementing partner (see paragraph 8). This structure was intended to enable the Inquiry to deliver its results in an expedited way. However, according to entries in the Project Information Management System (PIMS), the Inquiry has faced a number of administrative and operational challenges.

17. Within UNEP this project has been managed within various Divisions and within different senior management structures. This history is clearly summarized in the internal review document of 2019[53].

18. In its early years the Inquiry intended to forge a close cooperation with the UNEP Finance Initiative and establish links with several other UNEP projects and initiatives (including the Partnership for Action on Green Economy, Green Growth Knowledge Platform and other Green Economy activities), as well as external partners both at the country level (including Central Banks, business associations, Ministries of Finance, research institutes etc.) and internationally (including the G7, G20, Organisation for Economic Cooperation and Development, World Bank, International Finance Corporation, Global Compact, Multilateral Development Banks, World Economic Forum etc.). The nature of collaboration and levels of cooperation vary across these projects and organisations.

19. In addition, GEF funds were introduced to the Inquiry project from November 2018 and brings additional dimensions to the Inquiry results framework (see Annex 1, below, for a summary of self-reported achievements at Output and Outcome levels at Feb 2020 against all approved results.

[53] Available from the Evaluation Office.

20. The plans for the evaluation of the UNEP Finance Initiative (UNEP FI), which was completed in June 2016, initially intended to assess the extent to which the results of the Inquiry could be mainstreamed into the work of UNEP FI. As the Inquiry was extended while the evaluation of UNEP FI was ongoing, the focus shifted towards a number of strategic questions, including the nature of the roles of UNEP FI and the Inquiry. Due to a number of issues (organizational changes within UNEP, increased funding/extensions of Inquiry, ill-health of a contracted evaluation consultant etc.) no independent assessment of the Inquiry performance has been carried out to date.

Section 2. OBJECTIVE AND SCOPE OF THE EVALUATION

Objective of the Evaluation

In line with the UNEP Evaluation Policy[54] and the UNEP Programme Manual[55], the Terminal Evaluation is undertaken at completion of the project to assess project performance (in terms of relevance, effectiveness and efficiency), and determine 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 UNEP and its project partners. Therefore, the evaluation will identify lessons of operational relevance for future project formulation and implementation, especially where a second phase of the project is being considered.

Key Evaluation Principles

Evaluation findings and judgements will 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 and a follow-up project is likely [or similar interventions are envisaged for the future], particular attention will 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 (i.e. what contributed to the achievement of the project's results). This should provide the basis for the lessons that can be drawn from the project.

Attribution, Contribution and Credible Association: In order to *attribute* any outcomes and impacts to a project intervention, one needs to consider the difference between what has happened with, and what would have happened without, the project (i.e. take account of changes over time and between contexts in order to isolate the effects of an intervention). This requires appropriate baseline data and the identification of a relevant counterfactual, both of which are frequently not available for evaluations. Establishing the *contribution* made by a project in a complex change process relies heavily on prior intentionality (e.g. approved project design documentation, logical framework) and the articulation of causality (e.g. narrative and/or illustration of the Theory of Change). Robust evidence that a project was delivered as designed and that the expected causal pathways developed supports claims of contribution and this is strengthened where an alternative theory of change can be excluded. A *credible association* between the implementation of a project and observed positive effects can be made where a strong causal narrative, although not explicitly articulated, can be inferred by the chronological sequence of events, active involvement of key actors and engagement in critical processes.

Communicating evaluation results. A key aim of the evaluation is to encourage reflection and learning by UNEP 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

54 https://www.unenvironment.org/about-un-environment/evaluation-office/policies-and-strategies

55 https://wecollaborate.unep.org

Manager. There may, however, be several intended audiences, each with different interests and needs regarding the report. The consultant(s) will plan with the Evaluation Manager 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.

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 UNEP and to which the project is believed to be able to make a substantive contribution:

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 provision 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 the extent to which the activity is suited to the priorities and policies of the donors, implementing regions/countries and the target beneficiaries. The evaluation will include an assessment of the project's relevance in relation to UNEP's mandate and its alignment with UNEP'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:

Alignment to the UNEP Medium Term Strategy[56] (MTS), Programme of Work (POW) and Strategic Priorities

The evaluation should assess the project's alignment with the MTS and POW under which the project was approved and include, in its narrative, reflections on the scale and scope of any contributions made to the planned results reflected in the relevant MTS and POW. UNEP strategic priorities include the Bali Strategic Plan for Technology Support and Capacity Building[57] (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.

Alignment to Donor/Partner Strategic Priorities

Donor strategic priorities will vary across interventions. The Evaluation will assess the extent to which the project is suited to, or responding to, donor priorities. In some cases, alignment with donor priorities may be a fundamental part of project design and grant approval processes while in others, for example, instances of 'softly-earmarked' funding, such alignment may be more of an assumption that should be assessed.

Relevance to Global, Regional, Sub-regional and National Environmental Priorities

The evaluation will assess the alignment of the project with global priorities such as the SDGs and Agenda 2030. 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 will be

56 UNEP's Medium Term Strategy (MTS) is a document that guides UNEP's programme planning over a four-year period. It identifies UNEP's thematic priorities, known as Sub-programmes (SP), and sets out the desired outcomes, known as Expected Accomplishments (EAs), of the Sub-programmes. https://www.unenvironment.org/about-un-environment/evaluation-office/our-evaluation-approach/un-environment-documents

57 http://www.unep.fr/ozonaction/about/bsp.htm considered. Examples may include: national or sub-national development plans, poverty reduction strategies or Nationally Appropriate Mitigation Action (NAMA) plans or regional agreements etc. Within this section consideration will be given to whether the needs of all beneficiary groups are being met and reflects the current policy priority to leave no one behind.

Complementarity with Existing Interventions/Coherence[58]

An assessment will be made of how well the project, either at design stage or during the project inception or mobilization[59], took account of ongoing and planned initiatives (under the same sub-programme, other UNEP sub-programmes, or being implemented by other agencies within the same country, sector or institution) that address 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 UNEP'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
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 (www.unenvironment.org/about-un-environment/evaluation-office/our-evaluation-approach/templates-and-tools). 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, while the complete Project Design Quality template is annexed in the Inception Report.

Factors affecting this criterion may include (at the design stage):
Stakeholders participation and cooperation
Responsiveness to human rights and gender equity

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[60]). 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 external operating context, and/or a negative external event has occurred during project implementation, the ratings for Effectiveness, Efficiency and/or Sustainability may be increased at the discretion of the Evaluation Consultant and Evaluation Manager together. A justification for such an increase must be given.

Effectiveness

i. Availability of Outputs[61]

The evaluation will assess the project's success in producing the programmed outputs and making them available to the intended beneficiaries as well as its success in 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

58 This sub-category is consistent with the new criterion of 'Coherence' introduced by the OECD-DAC in 2019.

59 A project's inception or mobilization period is understood as the time between project approval and first disbursement. Complementarity during project implementation is considered under Efficiency, see below.

60 Note that 'political upheaval' does not include regular national election cycles, but unanticipated unrest or prolonged disruption. The potential delays or changes in political support that are often associated with the regular national election cycle should be part of the project's design and addressed through adaptive management of the project team.

61 Outputs are the availability (for intended beneficiaries/users) of new products and services and/or gains in knowledge, abilities and awareness of individuals or within institutions (UNEP, 2019) inappropriately or inaccurately stated in the ProDoc, reformulations may be necessary in the reconstruction of the TOC. In such cases a table should be provided showing the original and the reformulation of the outputs for transparency. The availability of outputs will be assessed in terms of both quantity and quality, and the assessment will consider their ownership by, and usefulness to, intended beneficiaries and the timeliness of their provision. It is noted that emphasis is placed on the performance of those outputs that are most important to achieve outcomes. 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
Quality of project management and supervision[62]

Achievement of Project Outcomes[63]

The achievement of project outcomes is assessed as performance against the project outcomes as defined in the reconstructed[64] Theory of Change. These are outcomes that are intended to be achieved by the end of the project timeframe and within the project's resource envelope. Emphasis is placed on the achievement of project outcomes that are most important for attaining intermediate states. As with outputs, a table can be used where substantive amendments to the formulation of project outcomes is necessary. The evaluation should report evidence of attribution between UNEP's intervention and the project outcomes. In cases of normative work or where several actors are collaborating to achieve common outcomes, evidence of the nature and magnitude of UNEP's 'substantive contribution' should be included and/or 'credible association' established between project efforts and the project outcomes realised.

Factors affecting this criterion may include:
Quality of project management and supervision
Stakeholders' participation and cooperation
Responsiveness to human rights and gender equity
Communication and public awareness

Likelihood of Impact

Based on the articulation of long-lasting effects in the reconstructed TOC *(i.e. from project 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 Evaluation Office website, https://www.unenvironment.org/about-un-environment/evaluation, and is supported by an excel-based flow chart, 'Likelihood of Impact Assessment Decision Tree'. Essentially the approach follows a 'likelihood tree' from project 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 (e.g. will vulnerable groups such as those living with disabilities and/or women and children, be disproportionally affected by the project?). Some of these potential negative effects may have been identified in the project design as risks or as part of the analysis of Environmental and Social Safeguards.

The evaluation will consider the extent to which the project has played a catalytic[65] role or has promoted scaling up and/or replication as part of its Theory of Change and as factors that are likely to contribute to longer term impact.

62 'Project management and supervision' refers to the supervision and guidance provided by UNEP to implementing partners and national governments.

63 Outcomes are the use (i.e. uptake, adoption, application) of an output by intended beneficiaries, observed as changes in institutions or behavior, attitude or condition (UNEP, 2019)

64 All submitted UNEP project documents are required to present a Theory of Change. 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 formal changes made to the project design.

[65] *A catalytic effect is one in which desired changes take place beyond the initial scope of a project (i.e. the take up of change is faster than initially expected or change is taken up in areas/sectors or by groups, outside the project's initial design). Scaling up*

Ultimately UNEP 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 long-lasting changes represented by the Sustainable Development Goals, and/or the intermediate-level results reflected in UNEP's Expected Accomplishments and the strategic priorities of funding partner(s).

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
Communication and public awareness

Financial Management

Financial management will be assessed under three themes: *adherence* to UNEP's financial policies and procedures, *completeness* of financial information and *communication* between financial and project management staff. 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/component level and will be compared with the approved budget. The evaluation will verify the application of proper financial management standards and adherence to UNEP'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. The evaluation will record where standard financial documentation is missing, inaccurate, incomplete or unavailable in a timely manner. 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.

Factors affecting this criterion may include:
Preparation and readiness
Quality of project management and supervision

Efficiency

The evaluation will assess the extent to which the project delivered maximum results from the given resources. This will include an assessment of 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 made by the project teams during project implementation to make use of/build upon pre-existing institutions, agreements and partnerships, data sources, synergies and complementarities[66] with other initiatives, programmes and projects etc. to increase project efficiency.

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refers to an initiative, or one of its components, being adopted on a much larger scale, but in a very similar context (e.g a small scale, localized, pilot being adopted at a larger, perhaps national, scale). Replication refers more to approaches being repeated or lessons being explicitly applied in new/different contexts e.g. other geographic areas, different target groups 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.

66 Complementarity with other interventions during project design, inception or mobilization is considered under Strategic Relevance above.

The factors underpinning the need for any project extensions will also be explored and discussed. As management or project support costs cannot be increased in cases of 'no cost extensions', such extensions represent an increase in unstated costs to implementing parties.

<u>*Factors affecting this criterion may include:*</u>
Preparation and readiness (e.g. timeliness)
Quality of project management and supervision
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[67] results towards the provision of the project's outputs and achievement of project outcomes, including at a level disaggregated by gender, marginalisation or vulnerability, including those living with disabilities.. In particular, the evaluation will assess the relevance and appropriateness of the project indicators as well as the methods used for tracking progress against them as part of conscious results-based management. 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.

Monitoring of Project 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. This assessment will include consideration of whether the project gathered relevant and good quality baseline data that is accurately and appropriately documented. This should include monitoring the representation and participation of disaggregated groups, including gendered, marginalised or vulnerable groups, such as those living with disabilities, in project activities. It will also consider the quality of the information generated by the monitoring system during project implementation and how it was used to adapt and improve project execution, achievement of outcomes and ensure sustainability. The evaluation should confirm that funds allocated for monitoring were used to support this activity.

Project Reporting

UNEP has a centralised Project Information Management System (PIMS) in which project managers upload six-monthly progress 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 UNEP and donor reporting commitments have been fulfilled. Consideration will be given as to whether reporting has been carried out with respect to the effects of the initiative on disaggregated groups.

<u>*Factors affecting this criterion may include:*</u>
Quality of project management and supervision
Responsiveness to human rights and gender equity (e.g disaggregated indicators and data)

Sustainability

Sustainability[68] is understood as the probability of project 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 endurance of achieved project outcomes (i.e. 'assumptions' and 'drivers'). Some factors of sustainability may be embedded in the project design and

67 SMART refers to results that are specific, measurable, achievable, relevant and time-oriented. Indicators help to make results measurable.

68 As used here, 'sustainability' means the long-term maintenance of outcomes and consequent impacts, whether environmental or not. This is distinct from the concept of sustainability in the terms 'environmental sustainability' or 'sustainable development', which imply 'not living beyond our means' or 'not diminishing global environmental benefits' (GEF STAP Paper, 2019, Achieving More Enduring Outcomes from GEF Investment) 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 project 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 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.

Financial Sustainability

Some project 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 project 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 a project's outcomes have been extended into a future project phase. Even where future funding has been secured, the question still remains as to whether the project outcomes are financially sustainable.

Institutional Sustainability

The evaluation will assess the extent to which the sustainability of project outcomes (especially those relating to policies and laws) 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. In particular, the evaluation will consider whether institutional capacity development efforts are likely to be sustained.

Factors affecting this criterion may include:
Stakeholders participation and cooperation
Responsiveness to human rights and gender equity (e.g. where interventions are not inclusive, their sustainability may be undermined)
Communication and public awareness
Country ownership and driven-ness

Factors Affecting Project Performance and Cross-Cutting Issues

(These factors are rated in the ratings table but are discussed within the Main Evaluation Report as cross-cutting themes as appropriate under the other evaluation criteria, above. Where the issues have not been addressed under other evaluation criteria, the consultant(s) will provide summary sections under the following headings)

i. Preparation and Readiness

This criterion focuses on the inception or mobilisation stage of the project (i.e. the time between project approval and first disbursement). 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 included in the template for the assessment of Project Design Quality).*

Quality of Project Management and Supervision

In some cases 'project management and supervision' will refer to the supervision and guidance provided by UNEP to implementing partners and national governments while in others, it will refer to the project management performance of the executing agency and the technical backstopping and supervision provided by UNEP.

The evaluation will assess the effectiveness of project management with regard to: providing leadership towards achieving the planned outcomes; managing team structures; maintaining productive partner relationships (including Steering Groups etc.); maintaining project relevance within changing external and strategic contexts; communication and collaboration with UNEP colleagues; risk management; use of problem-solving; project adaptation and overall project execution. Evidence of adaptive management should be highlighted.

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 UNEP and the implementing partner(s). 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.

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 UNEP's Policy and Strategy for Gender Equality and the Environment[69].

In particular the evaluation will consider to what extent project implementation and monitoring have taken into consideration: (i) possible inequalities (especially those related to gender) in access to, and the control over, natural resources; (ii) specific vulnerabilities of disadvantaged groups (especially women, youth and children and those living with disabilities) to environmental degradation or disasters; and (iii) the role of disadvantaged groups (especially those related to gender) in mitigating or adapting to environmental changes and engaging in environmental protection and rehabilitation.

Environmental and Social Safeguards

UNEP projects address environmental and social safeguards primarily through the process of environmental and social screening at the project approval stage, risk assessment and management (avoidance, minimization, mitigation or, in exceptional cases, offsetting) of potential environmental and social risks and impacts associated with project and programme activities. The evaluation will confirm whether UNEP requirements[70] were met to: *review* risk ratings on a regular basis; *monitor* project implementation for possible safeguard issues; *respond* (where relevant) to safeguard issues through risk avoidance, minimization, mitigation or offsetting and r*eport* on the implementation of safeguard management measures taken. UNEP requirements for proposed projects to be screened for any safeguarding issues; for sound environmental and social risk assessments to be conducted and initial risk ratings to be assigned are evaluated above under Quality of Project Design).

The evaluation will also consider the extent to which the management of the project minimised UNEP's environmental footprint.

Country Ownership and Driven-ness

The evaluation will assess the quality and degree of engagement of government / public sector agencies in the project. While there is some overlap between Country Ownership and Institutional Sustainability, this criterion focuses primarily on the forward momentum of the intended projects results, i.e. either a) moving forwards from outputs to project outcomes or b) moving forward from

69 The Evaluation Office notes that Gender Equality was first introduced in the Project Review Committee Checklist in 2010 and, therefore, provides a criterion rating on gender for projects approved from 2010 onwards. Equally, it is noted that policy documents, operational guidelines and other capacity building efforts have only been developed since then and have evolved over time.
https://wedocs.unep.org/bitstream/handle/20.500.11822/7655/-Gender_equality_and_the_environment_Policy_and_strategy-2015Gender_equality_and_the_environment_policy_and_strategy.pdf.pdf?sequence=3&isAllowed=y

70 For the review of project concepts and proposals, the Safeguard Risk Identification Form (SRIF) was introduced in 2019 and replaced the Environmental, Social and Economic Review note (ESERN), which had been in place since 2016. In GEF projects safeguards have been considered in project design since 2011.

project outcomes towards intermediate states. The evaluation will consider the engagement 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 (e.g. representatives from multiple sectors or relevant ministries beyond Ministry of Environment). 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. Ownership should extend to all gender and marginalised groups.

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 gendered or marginalised groups, and whether any feedback channels were established. <u>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.</u>

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) will 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: [This section should be edited for each evaluation]

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: [list];
- Mid-Term Review or Mid-Term Evaluation of the project;
- Evaluations/reviews of similar projects.

Interviews (individual or in group) with:

- UNEP Project Manager (PM);
- Project management team, where appropriate;
- UNEP Fund Management Officer (FMO);
- Project partners, including [list];
- Sub-Programme Coordinator, where appropriate;
- **(Inquiry)** Representatives from: Financial Centres for Sustainability (FC4S); Sustainable Insurance Forum (SIF); Network for Greening the Financial System (NGFS); Coalition of Finance Ministers for Climate Action (FMCo); Financial Services and Capital Markets Union (FISMA)
- Relevant resource persons;

Representatives from civil society and specialist groups (such as women's, farmers and trade associations etc).

Surveys [provide details, where appropriate]
Field visits [provide details, where appropriate]
Other data collection tools [provide details, where appropriate]

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: 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. **One Evaluation Report will be produced with two performance ratings tables – one for the whole project and one for the GEF funded component.**

An **Evaluation Brief** (a 2-page overview of the evaluand and evaluation findings) for wider dissemination through the UNEP website may be required. This will be discussed with the Evaluation Manager no later than during the finalization of the Inception Report.

Review of the draft evaluation report. The consultant(s) 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 Manager/Implementing Partner, who will alert the Evaluation Manager in case the report contains any blatant factual errors. The Evaluation Manager will then forward the revised draft report (corrected by the evaluation consultant(s) 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 consultant(s) 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 draft of the main evaluation report, which acts as a tool for providing structured feedback to the evaluation consultants. The quality of the final report will be assessed and rated against the criteria specified in template listed in Annex 1 and this assessment will be appended to the Final Evaluation Report.

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.

The Evaluation Team

For this evaluation, the Evaluation Team will consist of a Principal Evaluator and one Evaluation Specialist who will work under the overall responsibility of the Evaluation Office represented by an Evaluation Manager [name], in consultation with the UNEP Project Manager, [name], Fund Management Officer [name] and the Sub-programme Coordinators of the [relevant UNEP Sub-programmes], [name]. The consultants will liaise with the Evaluation Manager on any procedural and methodological matters related to the evaluation, including travel. It is, however, each consultants' individual responsibility to arrange for their visas and immunizations as well as to plan meetings with stakeholders, organize online surveys, obtain documentary evidence and any other logistical matters related to the assignment. The UNEP 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 Principal Evaluator will be hired over a period of 6 months (01 Sept 2021 to 28th Feb 2022) and should have the following: a university degree in international finance, sustainable development, environmental sciences or other relevant political or social sciences area is required and an advanced degree in the same areas is desirable; a minimum of 10 years of technical / evaluation experience is required, preferably including evaluating large, regional or global programmes and using a Theory of Change approach; and an excellent understanding of world finance networks, platforms and partnerships is desired. English and French are the working languages of the United Nations Secretariat. For this consultancy, fluency in oral and written English is a requirement. Working knowledge of the UN system and specifically the work of UNEP is an added advantage. The work will be home-based with possible field visits.

[Team composition to be determined]. The Evaluation Specialist will be hired over a period of 6 months (01 Sept 2021 to 28th Feb 2022) and should have the following: a university degree in international finance, sustainable development, environmental sciences or other relevant political or social sciences area is required and an advanced degree in the same areas is desirable; a minimum of 10 years of technical / evaluation experience is required, preferably including evaluating large, regional or global programmes and using a Theory of Change approach; and an excellent understanding of world finance networks, platforms and partnerships is desired. Experience in evaluating projects funded by the GEF will be an advantage. English and French are the working languages of the United Nations Secretariat. For this consultancy, fluency in oral and written English is a requirement. Working knowledge of the UN system and specifically the work of UNEP is an added advantage. The work will be home-based with possible field visits.

Specifically, Evaluation Team members will undertake the following:

Specific Responsibilities for Principal Evaluator:

The Principal Evaluator will be responsible, in close consultation with the Evaluation Manager, for overall management of the evaluation and timely provision of its outputs, described above in Section 11 Evaluation Deliverables.

[Add details as required, may be based on the list below]

Specific Responsibilities for the Evaluation Specialist:

The Evaluation Specialist will make substantive and high-quality contributions to the evaluation process and outputs. Both consultants will ensure together that all evaluation criteria and questions are adequately covered.

[Add details as required, may be based on the list below]

FOR SINGLE CONSULTANTS

In close consultation with the Evaluation Manager, the Evaluation Consultant will be responsible for the overall management of the evaluation and timely provision of its outputs, data collection and analysis and report-writing. More specifically:

Inception phase of the evaluation, including:

preliminary desk review and introductory interviews with project staff;

draft the reconstructed Theory of Change of the project;
prepare the evaluation framework;
develop the desk review and interview protocols;
draft the survey protocols (if relevant);
develop and present criteria for country and/or site selection for the evaluation mission;
plan the evaluation schedule;
prepare the Inception Report, incorporating comments until approved by the Evaluation Manager

Data collection and analysis phase of the evaluation, including:
conduct further desk review and in-depth interviews with project implementing and executing agencies, project partners and project stakeholders;
(where appropriate and agreed) conduct an evaluation mission(s) to selected countries, visit the project locations, interview project partners and stakeholders, including a good representation of local communities. Ensure independence of the evaluation and confidentiality of evaluation interviews.
regularly report back to the Evaluation Manager on progress and inform of any possible problems or issues encountered and;
keep the Project Manager informed of the evaluation progress.

Reporting phase, including:
draft the Main Evaluation Report, ensuring that the evaluation report is complete, coherent and consistent with the Evaluation Manager guidelines both in substance and style;
liaise with the Evaluation Manager on comments received and finalize the Main Evaluation Report, ensuring that comments are taken into account until approved by the Evaluation Manager
prepare a Response to Comments annex for the main report, listing those comments not accepted by the Evaluation Consultant and indicating the reason for the rejection; and
(where agreed with the Evaluation Manager) prepare an Evaluation Brief (2-page summary of the evaluand and the key evaluation findings and lessons)

Managing relations, including:
maintain a positive relationship with evaluation stakeholders, ensuring that the evaluation process is as participatory as possible but at the same time maintains its independence;
communicate in a timely manner with the Evaluation Manager on any issues requiring its attention and intervention.

Schedule of the Evaluation

The table below presents the tentative schedule for the evaluation.

Table 3. Tentative schedule for the evaluation

Milestone	Tentative Dates
Evaluation Initiation Meeting	
Inception Report	
Evaluation Mission	
E-based interviews, surveys etc.	
Powerpoint/presentation on preliminary findings and recommendations	
Draft report to Evaluation Manager (and Peer Reviewer)	
Draft Report shared with UNEP Project Manager and team	
Draft Report shared with Evaluation Reference Group	

Draft Report shared with wider group of stakeholders	
Final Report	
Final Report shared with all respondents	

Contractual Arrangements

Evaluation consultants will be selected and recruited by the Evaluation Office of UNEP under an individual Special Service Agreement (SSA) on a "fees only" basis (see below). By signing the service contract with UNEP/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 Manager of expected key deliverables. The schedule of payment is as follows:

Schedule of Payment for the [Evaluation Consultant/Principal Evaluator]:

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

[Schedule of Payment for the Evaluation Specialist]:

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 UNEP and 75% of the Daily Subsistence Allowance 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 Manager 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 UNEP'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 UNEP 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 UNEP's quality standards.

If the consultant(s) fail to submit a satisfactory final product to UNEP 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 standard.

Annex 1: What has been achieved so far (at output and outcome level) – source, Feb 2020 ProDoc Revision

Achievement of results to date of revision			
Outcome 1	**Indicator(s)**	**Target**	**Achieved/ Not Achieved/On target**
Uptake of the Inquiry's key policy findings advances the sustainable financial reform agenda (from design to delivery)	A number of international and national financial regulators and associated policy makers investigate and commit to measures to better align their financial systems with sustainable development. Baseline is three (Brazil, China and Indonesia. Baseline 3)	(target = 3 countries)	Achieved (6) - Brazil, China, Indonesia. Also achieved Mongolia, Morocco and Nigeria. Partially achieved in Argentina and Mexico.
	Number of debates on measures contributing to a sustainable financial reform amongst financial regulators, associated policy makers and financial practitioners increased, measurable through examination of: - Regulators speeches and articles - Regulators engagement at key events - Finance industry leaders' speeches and policy positions (baseline = 17 regulators)	(target = 35 regulators)	Achieved (41) – Argentina, Australia, Canada, China, Colombia, Costa Rica, Bangladesh, Belgium, Brazil, Ethiopia, France, Kenya, Germany, Ghana, Guernsey, India, Indonesia, Italy, Jamaica, Japan, Kazakhstan, Kenya, Liechtenstein, Luxembourg, Malaysia, Mongolia, Morocco, Netherlands, New Zealand, Nigeria, Portugal, Singapore, Spain, South Africa, South Korea, Sweden, Switzerland, Netherlands, UAE, United Kingdom and the USA.
	Number of financial regulators, both at the national and international level, that take up the Inquiry's findings: - National regulators, particularly major economies embracing a Broader "green/economy" aspect to their risk/resilience mandate. - Financial Stability Board (FSB) debating features of green financial system - Bank of International Settlements (BIS) agreeing to review "green" dimensions of its own policy framework and agreement on regular basis	(target = 20 regulators)	Achieved (20) – BIS, FSB, Sustainable Banking Network as well as China, Colombia, Bangladesh, Brazil, Ethiopia, France, Kenya, Italy, India, Indonesia, Nigeria, Singapore, South Africa, Switzerland, Netherlands, United Kingdom and the USA.

	-Sustainable Banking Network for Regulators endorsing Inquiry's findings (baseline = 17 national regulators) Increase in number of insurance supervisors and regulators who are taking action on sustainability challenges, as evinced by number of supervisors and regulators that are members of the SIF (Baseline = 13 members)	(target = 25 members)	Achieved (25) = Argentina, Australia, Belgium, Brazil, Canada, Costa Rica, Egypt, European Union, France, Germany, Ghana, Guernsey, Ireland, Italy, Japan, Morocco, Netherlands, New York, New Zealand, Singapore, South Africa, Sweden, United Kingdom, United States (Washington and California).
Output (s)	**Indicator(s)**	**Target**	**Achieved/ Not Achieved/On target**
A) G20 Sustainable Finance Study Group supported and serviced by Inquiry team.	Thematic reports on green finance produced by the G20 Sustainable Finance Study Group, likely topics to include capital markets and infrastructure; private equity and venture capital; and digital developments in finance. Debates and meetings on Sustainable Finance supported, including 24 core Green Finance Study Group core meetings and at least 6 thematic meetings.	(target = 9 reports) (target = 60 debates and meetings)	Achieved (10 Reports) – 2016 (Green Finance Synthesis Report 2016, and Green Finance Progress Report 2016), and 2017 (Green Finance Synthesis Report 2017, Progress Report 2017, Environmental Risk Analysis in Financial Decision-making and Publicly Available Environmental Data for Financial Analysis). 2018 Sustainable Finance Progress Report, Financing Climate Futures, Digital Technologies for Mobilizing Sustainable Finance, Aligning Climate Finance to the effective implementation of NDCs and to LTSS, Sustainable Finance Synthesis Report. Achieved – over 60+ debates, meetings, thematic meetings held.
B) Rollout and downstream development of the work of the Inquiry	Number of multi-stakeholder dialogues including briefings for international financial institutions, regional economic commissions, intergovernmental and international organisations, UN bodies (Baseline = 0 country level launches of the global report)	(target = 30 dialogues)	Achieved – 30 dialogues held in all existing countries.

	Country engagements: Development of existing country engagements (Baseline – 0)	(target = further progress supported in 6 countries)	Achieved: 15 Existing Countries and 6 New Countries (Argentina, Italy, Mongolia, Morocco, Nigeria and Singapore). The Financial Centres Network broadened the outreach to cities.
	Production of Annual Report produced, focusing on the progress made in advancing a sustainable financial system. Baseline =0).	(target – 1 report per year)	Achieved: Annual Report published in 2018.
C) Support provided to international financial centres to raise ambition and take action on green and sustainable finance, through engagement in the International Network of Financial Centres for Sustainability (FC4S Network)	Increase in number of financial centres that acknowledge the strategic importance of green and sustainable finance, as evinced by number of FC4S Network Members (Baseline = 10 members)	(Target = 25 members)	Achieved (28) = Abu Dhabi, Astana, Barcelona, Beijing, Cairo, Casablanca, Dublin, Frankfurt. Geneva, Guernsey, Hong Kong, Lagos, Liechtenstein, London, Luxembourg, Madrid, Mexico, Milan, Nairobi, New York, Paris, Seoul, Shanghai, Shenzhen, Stockholm, Tokyo, Toronto, Zurich by end 2019.
	Development of new research and guidance on green and sustainable finance for financial centres, developed in collaboration with FC4S members (Baseline = 1 report)	(Target = 3 reports)	Achieved (3): 1 report on activities published in 2018, 1 report on best practices (green bonds) published January 2019 and 1 report on activities and financial centre progress published March 2019.
	Initiation of new projects at regional levels to engage financial centres in Europe, Africa, and Asia (Baseline = 1 Regional project)	(Target = 3 Regional projects)	Achieved (3): FC4S Europe active and operational since 2018, FC4S Asia established and moving into operation, FC4S Africa developed over 2019 and launched at FC4S AGM.
D) Support provided to leading insurance supervisors and regulators to strengthen their understanding of, and	# of new research and guidance on sustainability issues, focusing on climate change, in collaboration	(Target = 2 reports)	Achieved (3): SIF/IAIS Issues paper on Climate Risks (Baseline completed July 2018), SIF/FSI Joint Research Paper on climate

responses to, sustainability issues facing the business of insurance, through engagement in the Sustainable Insurance Forum (SIF)	with SIF members (Baseline = 1 report) # of leading insurance meetings convened (Baseline:0 meetings) # of working groups established to apply tools and materials to mainstream supervisory activities (Baseline: 0 working groups)	(Target = 2 meetings) (Target = 3 working groups)	risk assessment published November 2019 and SIF/IAIS Issues Paper on TCFD Implementation developed and submitted to IAIS Executive Committee for approval for public consultation (expected release date December 16th). Achieved (3): SIF 6 meeting in Buenos Aires, Argentina; Industry workshop with IAIS in Zurich; and SIF 7 meeting in Abu Dhabi, UAE Achieved (3): Working group formed to develop TCFD Issues Paper, Working group formed for FSI joint research project, Working group formed to conduct review of SIF Question bank.
E) UNEP's leadership role in advancing a sustainable financial system strengthened in particular through close collaboration with UNEP FI	Implement leadership based coordination team including UNEP Finance Initiative, and the Inquiry team, and, when required, other UNEP branches, such as the Finance Unit of the Energy and Technology Branch, to ensure coordination of strategic approach and work programmes. (Baseline = 0 meetings and 0 co-branded events) Incorporate other UNEP staff members, including from the Finance Initiative, into specific work areas of the Inquiry during 2018, including in the work related to the G20, country engagements and technical tracks. (Baseline = 0 projects) UNEP supports the design and implementation of the UN Secretary-General's Strategy on Financing the 2030 Agenda including the 2018 Finance Summit in New York. (Baseline = 0 Finance Summit)	(target = 18 meetings, at least 6 co-branded events) (target = 6 projects) (Target = 1 Finance Summit)	Achieved – Meetings (Inquiry team called/met with ETB, FI and other parts of UNEP monthly) and Co-Branded events (UNEA 2 Financing Symposium, UNEP FI Global Roundtable sessions, Sustainable Insurance Forum Meetings with UNEP FI in 2016+2017). Achieved – collaboration on country engagements in Argentina, Morocco, Mongolia and Nigeria especially with UNEP FI and PAGE; and technical inputs into the G20 Green Finance Study Group especially through UNEP FI and UNEP WCMC. Achieved = 2018 Finance Summit was held in New York. On target - Intermediate evaluation has been

	UNEP will evaluate the Inquiry (Baseline = 0)	(Target = 1)	submitted. Project has been extended and final evaluation has been postponed.

Outcome 1 - GEF	Indicator(s)	Target	Achieved/ Not Achieved/On target
Governments agree to develop, implement and measure the impact of one or more recommendations from their country roadmaps	# of Sustainable Finance Roadmaps endorsed by the respective national governments, including the identification of at least 2 recommendations that the governments agree to implement	6 Roadmaps endorsed (i.e. 1 per national government) and 12 recommendations identified that governments agree to implement (i.e. at least 2 per national government) (by project-end)	On Target - country work is under development.
Outcome 2 - GEF	**Indicator(s)**	**Target**	**Achieved/ Not Achieved/On target**
Building international consensus on best practices (e.g. policies, regulations, standards and norms) to green the financial system	# of Dialogues events to build consensus around best practices for green financial system held at international cooperation platforms [Baseline:0; Target:4] # of Synthesis reports from each Dialogue event [Baseline:0; Target:4]	At least 4 dialogue events At least 4 Synthesis reports (1 per dialogue) (by project-end)	On Target - 3 dialogue events held- 3 Synthesis reports under preparation.
Output (s)	**Indicator(s)**	**Target**	**Achieved/ Not Achieved/On target**
GEF: 1.1 Tools to assess and measure progress in shaping national financial system and allow benchmarking across countries are developed	# of diagnostic toolkits (web based)	Baseline: 1 diagnostic toolkits (document based) Target: 1 diagnostic toolkit (web based)	On Target - Initial website architecture under consideration.
GEF:1.2 Six partial or complete country roadmaps are drafted	# of Sustainable finance roadmaps (Baseline:0 roadmaps)	Target: 6 partial or complete country roadmaps endorsed by govt	On Target - Country TORs have been agreed to by governments.
GEF: 1.3 Roadmap implementation support for 2 countries	# Roadmaps under implementation (Baseline:0 roadmaps under implementation)	Target: 2 roadmaps under implementation	On Target - Countries for implementation support selected.
GEF:2.1 Dialogues to build consensus around best practices for green financial system are held at international cooperation platforms.	# of events / seminars / symposiums # of declarations /communiques (Baseline: 0 events 0 declarations)	Target: 4 events 4 declarations	On Target
GEF: 2.2 A global learning platform to build and capture consensus on harmonised green financing policies, regulations and norms is operational	# of platforms on green financing policies, regulations and norms (Baseline:0 platforms on green financing policies, regulations and norms)	Target: 1 platform on green financing policies, regulations and norms	Achieved - Platform launched at COP 25.

Annex 2: Tools, Templates and Guidance Notes for use in the Evaluation

The tools, templates and guidance notes listed in the table below, and available from the Evaluation Manager, are intended to help Evaluation Managers and Evaluation Consultants to produce evaluation products that are consistent with each other and which can be compiled into a biennial Evaluation Synthesis Report. The biennial summary is used to provide an overview of progress to UNEP and the UN Environmental Assembly.

This suite of documents is also intended to make the evaluation process as transparent as possible so that all those involved in the process can participate on an informed basis. It is recognised that the evaluation needs of projects and portfolio vary and adjustments may be necessary so that the purpose of the evaluation process (broadly, accountability and lesson learning), can be met. Such adjustments should be decided between the Evaluation Manager and the Evaluation Consultants in order to produce evaluation reports that are both useful to project implementers and that produce credible findings.

ADVICE TO CONSULTANTS: As our tools, templates and guidance notes are updated on a continuous basis, kindly download documents from this links during the Inception Phase and use those versions throughout the evaluation. xxxxx

List of tools, templates and guidance notes available:

Document	Name
1	Evaluation Process Guidelines for Consultants
2	Evaluation Consultants Team Roles (Principal Evaluator and Evaluation Specialist)
3	List of documents required in the evaluation process
4	Evaluation Criteria (summary of descriptions, as in these terms of reference)
5	Evaluation Ratings Table (only)
6	Matrix Describing Ratings by Criteria
7	Weighting of Ratings (excel)
8	Project Identification Tables
9	Structure and Contents of the Inception Report
10a	Template for the Assessment of the Quality of Project Design (Word template)
10b	Template for the Assessment of the Quality of Project Design (Excel tool)
11	Guidance on Stakeholder Analysis
12	Gender Note for Evaluation Consultants
13	Use of Theory of Change in Project Evaluations
14	Assessment of the Likelihood of Impact Decision Tree (Excel)
15	Possible Evaluation Questions
16	Structure and Contents of the Main Evaluation Report
17	Cover Page, Prelims and Style Sheet for Main Evaluation Report
18	Financial Tables
19	Template for the Assessment of the Quality of the Evaluation Report

Annex J – Quality Assessment of Evaluation Report

Evaluand Title:

TE of UNEP Inquiry into the Design of a Sustainable Financial System and Interim Review of UNEP-GEF Aligning the Financial System and Infrastructure Investments with Sustainable Development (Components 1 and 2)

All UNEP 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.

	UNEP 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: A good overview of the main elements of the report. The Evaluation Office notes that the evaluators were requested to keep the report as concise and accessible as possible in light of the wide intended readership.	**5.5**
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: A brief introduction, works in conjunction with the Executive Summary.	**5**
II. Evaluation Methods 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 experiences captured effectively, should be made explicit in this section.	Final report: Concise section, covering the essential sections.	**5**

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. Is there an ethics statement?		
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). • *Results framework*: 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 elements addressed well.	**5.5**
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. This section should include a description of how the *TOC at Evaluation*[71] was designed (who was involved etc.) and applied to the context of the project? 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 UNEP's 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*	Final report: Good articulation of a TOC that developed over time.	**5**

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

wording and placement may have changed, the results 'goal posts' have not been 'moved'. Check that the project's effect on equality (i.e. promoting human rights, gender equality and inclusion of those living with disabilities and/or belonging to marginalised/vulnerable groups) has been included within the TOC as a general driver or assumption where there was no dedicated result within the results framework. If an explicit commitment on this topic was made within the project document then the driver/assumption should also be specific to the described intentions.		
V. Key Findings **A. Strategic relevance:** This section should include an assessment of the project's relevance in relation to UNEP's mandate and its alignment with UNEP's policies and strategies at the time of project approval. An assessment of the complementarity of the project at design (or during inception/mobilisation[72]), 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: i. Alignment to the UNEP Medium Term Strategy (MTS) and Programme of Work (POW) ii. Alignment to Donor/GEF Strategic Priorities iii. Relevance to Regional, Sub-regional and National Environmental Priorities iv. Complementarity with Existing Interventions	Final report: Section addressed as required.	**5**
B. Quality of Project Design To what extent are the strength and weaknesses of the project design effectively summarized?	Final report: Strengths and weaknesses adequately summarised.	**5**
C. Nature of the External Context For projects where this is appropriate, key external features of the project's implementing context that limited the project's performance (e.g. conflict, natural disaster, political upheaval[73]), and how they affected performance, should be described.	Final report: Section addressed as required.	**5**
D. Effectiveness **(i) Outputs and Project Outcomes:** How well does the report present a well-reasoned, complete and evidence-based assessment of the a) availability of outputs, and b) achievement of project 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: Good section	**5.5**

[72] A project's inception or mobilization period is understood as the time between project approval and first disbursement. Complementarity during project implementation is considered under Efficiency, see below.
[73] Note that 'political upheaval' does not include regular national election cycles, but unanticipated unrest or prolonged disruption. The potential delays or changes in political support that are often associated with the regular national election cycle should be part of the project's design and addressed through adaptive management of the project team.

(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: Detailed discussion of longer term view.	**5.5**
E. Financial Management This section should contain an integrated analysis of all dimensions evaluated under financial management.	Final report: Section addressed as agreed	**4**
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 during project implementation 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 UNEP's environmental footprint.	Final report: Section addressed as required.	**5**
G. Monitoring and Reporting How well does the report assess: • Monitoring design and budgeting *(including SMART results with measurable 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 reports)*	Final report: Section addressed as agreed	**4**
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 project outcomes including: • Socio-political Sustainability • Financial Sustainability • Institutional Sustainability	Final report: Section addressed as agreed	**4**
I. Factors Affecting Performance These factors are not 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	Final report: Strong discussion on gender	**5**

• Quality of project management and supervision[74] • Stakeholder participation and co-operation • Responsiveness to human rights and gender equity • Environmental and social safeguards • Country ownership and driven-ness • Communication and public awareness		
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: Brief section culminating in Ratings Table	**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 are intended to be adopted any time they are deemed to be relevant in the future and must have the potential for wider application (replication and generalization) and use and should briefly describe the context from which they are derived and those contexts in which they may be useful.	Final report: Useful 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 UNEP 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. In cases where the recommendation is addressed to a third party, compliance can only be monitored and assessed where a contractual/legal agreement remains in place. Without such an agreement, the recommendation should be formulated to say that UNEP project staff should pass on the recommendation to the relevant third party in an effective or substantive manner. The effective	Final report: Relevant recommendations	**5**

[74] In some cases 'project management and supervision' will refer to the supervision and guidance provided by UNEP 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 UNEP.

transmission by UNEP of the recommendation will then be monitored for compliance. Where a new project phase is already under discussion or in preparation with the same third party, a recommendation can be made to address the issue in the next phase.		
VII. Report Structure and Presentation Quality		
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: The report covers all the required sections as agreed by the Evaluation Office	**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: An interesting and readable report appropriate for the intended readership.	**5**
OVERALL REPORT QUALITY RATING		**5**

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?	**N/A**	
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	**Y**	

with the project team for ownership to be established?		
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**	
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?	**Y**	
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 Evaluation Office	**Y**	
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**