

TNC-GCF INDEPENDENT MONITORING AND EVALUATION POLICY

PURPOSE

To allow for the external and independent monitoring, measurement, and evaluation of the progress, performance, results, and use of resources in GCF Funded Projects and programs. Independent Monitoring and Evaluation seeks to foster transparency, accountability, learning and improvement, within the organization and externally, particularly with the GCF and its stakeholders, and to make these results public.

For the purposes of this Policy, **GCF Funded Projects** are projects where (a) TNC manages and disburses GCF funds, (b) TNC uses private funds as TNC match for GCF funds received by TNC in the context of a GCF-majority-funded project, (c) in the context of a GCF-minority funded project, the specific GCF award explicitly requires the application of this procedure and other GCF-specific procedures, or (d) both TNC and GCF contribute money or other resources to a project under an agreement (all of them "**GCF-Funded Projects**").

APPLICABILITY

For (a) any GCF Funded Project for a value of USD\$5,000,000 or greater, or (b) a GCF Funded Project with a lower value but (i) that requires independent evaluation pursuant to an agreement with the GCF, (ii) is determined by Internal Audit to be subject to independent evaluation, or (iii) has substantive risk factors as determined pursuant to the TNC-GCF Performance Standard, TNC shall request an independent monitoring and evaluation.

For determinations made by Internal Audit, Internal Audit will use the same criteria generally applicable to determinations for internal audits and reviews.

Independent monitoring and/or evaluation will be conducted by external independent consultants with technical expertise on the subject matter, local expertise or presence, and auditing experience. It can be performed during the performance of a project and/or upon termination depending on the requirements of this policy, the requirements of a GCF agreement or the balancing of these factors. As determined by Internal Audit or Management, it should also include from time to time TNC business units and organizational processes that manage GCF-Funded Projects. It can extend to the performance, activities and results of contractors, partners, and grantees in the context of these Projects. Independent monitoring and evaluation shall not be solely focused on finance and expenditures but rather, should focus on substantive outcomes.

Applicability of TNC External and Internal Audit SOP: In connection with GCF-Funded Projects, the terms of this GCF Independent Monitoring and Evaluation Policy shall be applied in harmony with the requirements of the supersede the terms of the **TNC External and Internal Audit SOP**. Nothing in that SOP shall be read or applied as to limit or restrict the scope of the evaluation, as required under this GCF Policy..

SCOPE OF INDEPENDENT MONITORING

At a minimum, independent monitoring and evaluation will review (i) use of funds under applicable auditing materiality standards; and (ii) independently from individual GCF-Funded Projects expected

outcomes or KPIs, will benchmark results against TNC's general long-term conservation agenda to ensure alignment with TNC global priorities, taking into consideration specific circumstances and ongoing conditions. (iii) Management, Internal Audit and other business units may define additional elements depending on specific project or program circumstances. This may include independent or external evaluations of the effectiveness of environmental and social management system (ESMS) of projects, per TNC-GCF policies, or other review processes or evaluations mentioned in TNC-GCF policies or procedures. In determining additional elements for a specific independent monitoring and evaluation, cost/efficiency, expected benefits, and project expectations v. project outcomes shall be taken into consideration.

TNC will make public the results of independent monitoring and evaluations by publishing it in the GCF-TNC dedicated section in observance of the TNC-GCF Information Disclosure Policy

SELECTION OF INDEPENDENT MONITORING

The selection of the entity responsibly for independent monitoring shall be conducted pursuant to the terms of the **TNC External and Internal Audit SOP**.

Pursuant to current GCF general policies, costs related to the independent monitoring and evaluation shall be included in the GCF-Funded Project.

DISCLOSURE TO THE PUBLIC

Independent Monitoring and Evaluation Reports will be published and disclosed to the public in the TNC-GCF dedicated website. Publication will be subject to the requirements of the TNC-GCF Information Disclosure Policy

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

TNC-GCF Information Disclosure Policy

RESPONSIBLE PARTY:

[Chief Financial Officer]