

# CLIMATE INVESTMENT FUNDS

CTF-SCF/TFC.12/4/Rev.1

June 16, 2014

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Joint Meeting of the CTF and SCF Trust Fund Committees

Montego Bay, Jamaica

June 25, 2014

Agenda Item 5

## **APPROACHES TO EVIDENCE-BASED LEARNING IN THE CIF PROJECT CYCLE: SUMMARY**

## **PROPOSED DECISION**

The joint meeting, having reviewed document CTF-SCF/TFC.12/4/Rev.1, Approaches to Evidence Based Learning in the CIF Project Cycle, endorses the proposal to include evidence-based learning tools in a selection of CIF projects as a means to complement the current annual monitoring and reporting on core indicators in the CTF, PPCR and SREP and the monitoring and reporting on common and co-benefit themes in the FIP.

It is understood that CIF funding additional to the allocations proposed in the investment plans will need to be made available to finance the implementation of these tools. The MDBs are requested to work with the government or other client that will be responsible for executing the project to prepare a more elaborated proposal for each proposed tool, describing the activities to be undertaken and the associated costs. Such proposals may be approved as follows:

- a) for projects with CIF funding approved prior to the preparation of document CTF-SCF/TFC.12/4, the elaborated proposal for implementing an evidence-based tool may be approved by the MDB Committee drawing on the financing made available through the special initiative proposed in the FY15 CIF Administrative Budget; and
- b) for projects submitted for CIF funding approval during or subsequent to the preparation of document CTF-SCF/TFC.12/4, the elaborated proposal for implementing an evidence-based tool should be submitted together with the project proposal to the CIF Committee for review and funding approval.

## **Background**

1. In October 2013, the Joint Meeting of the CTF and SCF Trust Fund Committees reviewed document CTF-SCF/TFC.11/5, *Proposal for Modalities and Incentives to Include a Broad Range of Evaluative Approaches in the CIF*, and invited the CIF Administrative Unit (AU), in collaboration with the MDBs:

- a) to prepare a more comprehensive overview of approaches that could be put into place with the goal of increasing the number of initiatives that include evaluative approaches as part of their design, including information on how other funds have handled this issue and what are the experiences and emerging best practices;
- b) to undertake a stock taking of what MDBs are already doing and plan to do to evaluate CIF-funded projects, and
- c) to prepare a portfolio mapping and assessment of which CIF pipeline project/program concepts could be suitable for incorporating real-time evaluative approaches, including impact evaluation, in the further design and development of the projects/programs.

2. In response to the above decision, the following work has been completed:

### **Approaches to Evidence-Based Learning**

3. The CIF AU, in collaboration with the MDBs, developed a high-level menu of nine approaches to evidence-based learning throughout the project cycle: (a) Adaptive Capacity Assessment; (b) Cost Effectiveness Analysis; (c) Developmental Evaluation; (d) Formative Evaluation; (e) Impact Evaluation; (f) Outcome Evaluation; (g) Real-time Learning; (h) Rapid Stakeholder Consultation; (i) Vulnerability Assessment. For each approach a fact sheet includes the information on value-add, relevance to climate change, suitable circumstances, challenges, methods, and where to find additional information.<sup>1</sup>

4. In addition, the CIF AU identified the likelihood of generating evidence on results for each of the CIF programs based on programs' results frameworks. The AU also collected information on evaluation activities conducted by other funds.

### **Stock Taking of Evidence-based Learning Activities Already Being Undertaken by the MDB**

5. The MDBs provided information to the CIF AU on evidence-based learning activities being conducted or planned for upcoming projects. For discussion purposes, these activities have been divided into "routine" and "beyond routine."

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<sup>1</sup> The fact sheets are available at <https://www.climateinvestmentfunds.org/cif/content/approaches-evidence-based-learning-throughout-cif-project-cycle>.

6. The MDBs have “routine” procedures throughout the project cycle that support evidence-based learning. Each MDB conducts: (a) analyses when preparing for projects; (b) monitoring and reporting during project implementation, including mid-term reviews (or equivalent); and (c) project completion reports and, in some cases, additional reflective analyses to identify lessons learned.

7. At least 16 ongoing CIF projects are undertaking additional “beyond routine” evidence-based approaches during the project cycle. These additional approaches go beyond the routine (and minimally required) activities. The “beyond routine” approaches already planned or underway include rapid stakeholder feedback, vulnerability assessments, real-time learning, and multiple kinds of evaluation (e.g. formative, outcome, and impact).

### **Portfolio Assessment and Development of New Evidence-Based Learning Scoping Proposals**

8. Each MDB undertook an assessment of its CIF project portfolio to identify strong candidates for new, additional evidence-based learning activities that could be implemented at different points in the project cycle. This assessment resulted in the development of 20 scoping proposals for additional evidence-based learning.

9. The scoping proposals span a range of evidence-based learning approaches: impact evaluation (6 proposals), rapid-stakeholder consultation (5 proposals), outcome evaluation (4 proposals), real-time learning (2 proposals), cost-benefit analysis (2 proposals), adaptive capacity assessment (2 proposals), formative evaluation (1 proposal), and vulnerability assessment (1 proposal).<sup>2</sup>

10. The scoping proposals cover all four CIF programs and four MDBs. The breakdown by CIF program is as follows: Clean Technology Fund (5 proposals), Pilot Program for Climate Resilience (6 proposals), Forest Investment Program (6 proposals), and Scaling Up Renewable Energy Program (3 proposals).<sup>3</sup>

11. The value added of complementary approaches to evidence-based learning built into the CIF project cycle is high. First, the proposed approaches will significantly enhance the amount of intentional evidence-based learning that is conducted above and beyond routine practices. Based on the stock taking effort, at least 16 projects conduct efforts that are above-routine, and the new scoping proposals apply to 20 projects, reflecting a major scale up. Second, the proposed evidence-based approaches are strategic, transparent and embraced by the major funders and participating countries. Third, MDBs and their clients will be requested, whenever possible, to share lessons learned in three ways: (a) a technical paper for an appropriate journal or other publication; (b) a knowledge note to be shared across the CIF and posted on the CIF website; and (c) a blog post which will be publically available. Dissemination of lessons in these ways will

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<sup>2</sup> Three proposals intend to incorporate two approaches each; therefore the number of total approaches (23) exceeds the number of proposals (20).

<sup>3</sup> In addition, three PPCR projects implemented by AfDB are also seeking additional support from the World Bank Development Economics Impact Evaluation unit DECIE/DIME i2i umbrella facility.

help to spread knowledge and learning and to replicate and scale good practices. The CIF Administrative Unit will also build on these knowledge products.

12. Finally, there is no better way to advance work on these complex issues than through intentionally learning from experience, generating new evidence, and continually improving. It is also expected that this initiative will have spillover effects and that there will be cross-fertilization and learning amongst CIF projects and beyond. It is highly likely that the lessons learned through these CIF efforts will also inform work being done by many other partners who are not formally part of the CIF.

13. Most MDBs have discussed the proposals with their respective pilot and partner countries' counterparts. Those few that have not yet had these discussions are planning on doing so.

### **Financing Required**

14. The twenty proposals request USD 7 032 400 of additional financing associated with USD 429 599 000 of CIF investments. The total additional financing requested represents 1.64 % of the project investment covered by this work. This is very reasonable given that the cost of evaluation usually lies between 1-5 (plus) % of the total project cost, depending on its type and depth.

15. For the proposals that apply to projects/programs *already approved* by the Trust Fund Committee, it is proposed that a special initiative will be included in the FY15 CIF administrative budget to cover the estimated costs of evidence-based learning components within projects that have already been approved. Such an arrangement is proposed given the expected high transaction costs involved in going back to the CIF and MDB management for approval of supplementary financing.

16. Whenever evidenced-based learning components form part of projects/programs for which CIF funding has *not been approved yet* by the Trust Fund Committee as indicated in tables 4-7, their costs will form part of the project funding. The funding requested will be additional to the indicative funding requested in the investment plan. For those projects/programs that have not been approved by the Trust Fund Committee, the full proposal for the evidence based learning initiative should be part of the project proposal package that will be submitted for approval by the respective Sub Committee.