

CLIMATE INVESTMENT FUNDS

CTF-SCF/TFC.10/4

April 11, 2013

Joint Meeting of the CTF and SCF Trust Fund Committees

Washington D.C.

April 29-30, 2013

Agenda Item 5

USE OF EVALUATIVE APPROACHES IN CIF ACTIVITIES

(SUMMARY)

PROPOSED DECISION

The joint meeting, having reviewed document CTF-SCF/TFC.10/4, *Use of Evaluative Approaches in CIF Activities*, welcomes the overview provided by the MDBs of: (a) their existing monitoring and evaluation systems, (b) procedures for evaluative approaches in their regular operations, and (c) the application of such systems and procedures to CIF-financed activities.

The joint meeting invites the MDBs to collaborate with the CIF Administrative Unit by providing lessons learned and knowledge on CIF-financed activities generated through the use of such evaluative approaches and monitoring and evaluation systems for incorporation in CIF learning products and other relevant reports.

I. INTRODUCTION

1. At the Joint Meeting of the CTF and SCF Trust Fund Committees on November 2, 2012, the joint meeting asked the CIF Administrative Unit to work with the MDB Committee to prepare an overview of evaluative approaches in CIF-funded programs.
2. In response to this request, the CIF Administrative Unit has compiled information provided by the MDBs on their existing monitoring and evaluation systems and their coverage of CIF activities. The paper includes three sections: (a) monitoring and reporting in MDB project cycles, (b) MDBs evaluation policies and practices, and, (c) evaluative approaches in CIF project implementation. This third section also highlights evaluations which are planned, underway or have already been carried out.
3. MDBs differ in terms of their definition and use of the term “monitoring” versus “evaluation”.
4. For the purpose of the CIF, these terms will have the following definition:
 - a) “Monitoring” is a continuous process of data collection and analysis to provide timely feedback on the progress of a project. Monitoring is conducted during project implementation and allows comparison between the actual and the expected performance. Monitoring helps to hold implementing teams accountable for the delivery of outputs and provides a basis for corrective action, where appropriate.
 - b) “Evaluation” involves a systematic and objective measurement of the results achieved. Evaluation studies can assess the extent to which the project produced the intended impacts. For a given project, program, or policy, the objective of the evaluation is to assess the relevance, coherence and efficiency of implementation, as well as to determine the overall efficacy, impact and sustainability. Evaluation provides a snapshot against a set of agreed benchmarks and is often done ex-post, after the end of the project or program implementation. The rationale for evaluation is two-fold: accountability and learning.
5. Key differences between monitoring and evaluation lie in their purpose, timeframe, depth and quality. Monitoring is a routine process and usually conducted as part of project or program implementation. Hence monitoring and reporting are most often conducted through self-assessments. On the other hand, no assessment is an evaluation unless it satisfies certain quality criteria. To be considered as an evaluation, an assessment must be carried out systematically and with due concern for factual accuracy and impartiality. Impartiality means that evaluations are carried out by independent evaluators that have not had any involvement in the project.
6. Monitoring and reporting in MDB project cycles: All MDBs have in place mandatory systems for monitoring and reporting on project implementation as well as systems for independent evaluation. Monitoring and reporting is most often conducted by teams responsible for project implementation, while independent evaluations are commissioned by MDBs

independent evaluation offices which report directly to MDB management. Some MDB projects incorporate independent evaluations directly into the project cycle to enhance the learning during project or program implementation. These are commissioned by the respective project or program task team, not the independent evaluation office.

7. Quality assurance and validation of monitoring reports: The MDBs have systems to assure quality built into their organizational structures, which differ from each other.

II. MDB MONITORING AND REPORTING IN MDB PROJECT CYCLES

8. AfDB conducts monitoring and reporting in line with their One-Bank Results Measurement Framework and employs a number of quality assurance instruments to enhance the results focus of operations throughout the project/program lifecycle. The Implementation Progress and Results Reporting approach supports a results based management approach to implementation.

9. ADB staff use a design and monitoring framework for project design, which is a contemporary application of the logical framework. During implementation ADB's project divisions review the physical progress of implementation and monitor achievement of development objectives in close coordination with the borrower and the executing agencies. ADBs review missions visit projects at least twice a year. Project completion or technical assistance completion reports are prepared 12-24 months after completion of the project.

10. In EBRD, the monitoring phase begins immediately after Board approval. EBRD undertakes performance monitoring by continuously reviewing the progress achieved by the client. Environmental supervision is part of the monitoring. The monitoring system also provides the basis for the Quarterly Credit Commentary that is submitted to the Board. The Monitoring Report is carried out semi-annually by the Operation Leader. In addition a post project review to prepare the Operation Performance Assessment (OPA) is carried out ex-post by the Operation Leader within two years of project completion.

11. IDB measures the results of each development intervention as well as institutional-level results as mandated by the Development Effectiveness Framework (DEF) and the IDB Results Framework approved for the Ninth General Capital Increase. IDB emphasizes a "designing for results" approach. Development Effectiveness Matrices (DEM) assess the evaluability of development interventions at the planning stage. The Progress Monitoring Report (PMR) has shifted the focus of monitoring of implementation from inputs to outputs and outcomes. Many of IDB's operations include an economic analysis using the Economic Rate of Return (ERR) to evaluate contribution of Bank's efforts to economic development. Results at completion are reported in the Project Completion Report (PCR), and externally validated by the Office of Evaluation and Oversight (OVE). The office of Strategic Planning and Development Effectiveness (SPD) supports teams build impact evaluation into project design.

12. IBRD: After the Project Concept Note (PCN) is agreed and the Project Information Document (PID) published, the WB starts monitoring project milestones. Subsequently the Project Appraisal Document (PAD), which contains the results framework and implementing

arrangements, is submitted for Board approval. The initial Implementation Status and Results report is prepared at the latest 3 months after Board approval. After project completion the WB operations team prepares the Implementation Completion and Results Report (ICR). About 250-300 ICRs are issued annually, independently evaluated by the Independent Evaluation Group (IEG) and publically disclosed.

13. IFC: After approval of a project document by the IFC board, the supervision and monitoring system is set in motion. IFC uses the Development Outcomes Tracking System to monitor its Investment Services portfolio and the Advisory Services Operational Portal to monitor Advisory Services development results. Investment projects follow a quarterly monitoring cycle, progress on development indicators is reported annually.

III. MDB EVALUATION POLICIES AND PRACTICES

14. All MDBs participate in the Evaluation Cooperation Group, a working group, which brings together the heads of evaluation departments of the multilateral development banks with the aim of harmonization of evaluation practices and procedures.

15. At AfDB, the Operations Evaluation Department (OPEV) is in charge of independent evaluation according to the 2007 approved independent evaluation policy. The Board approves policies and operational procedures aimed at enhancing the independence and effectiveness of the evaluation function. The Board oversees the independent evaluation function through the Committee on Operations and Development Effectiveness. The Board approves OPEV's rolling work program and budget. The Committee on Operations and Development Effectiveness is responsible for protecting the independence of the evaluation function in AfDB and for providing oversight and guidance to OPEV.

16. ADB distinguishes between self-evaluation, conducted by those responsible for designing and implementing country strategies or programs and independent evaluation undertaken by the Independent Evaluation Department. In 2008 ADB introduced a corporate results framework, which forms the basis of the Development Effectiveness Review, an annual report card.

17. In EBRD the Evaluation Department (EvD) is responsible for reviewing Bank operations. EvD has its own budget, which is separate from the Bank's overall budget. The Chief Evaluator regularly reports to the Board of Directors on the implementation of EvD's work programme. The main line of communication with the Board is through the Audit Committee, which consists of seven Board representatives. EvD conducts a random sample of the projects ready for evaluation in a given year. The sample must be large enough to ensure the statistical significance of the results, in practice this means that about 50% to 55% of projects are selected for evaluation. In addition, a separate selection is made of projects that will be subject to a more in-depth evaluation.

18. IDB's Office of Evaluation and Oversight (OVE) reports to the Board through its Policy and Evaluation Committee. OVE transmits its findings to the President of the Board without any clearance from management. The Office of Strategic Planning and Development Effectiveness

(SPD) is part of the self-evaluation system of IDB. Its role is to support the internal evaluation function. It ensures the quality and delivery of completion reports to OVE for their validation.

19. In IBRD, the Implementation Completion and Results reports are independently evaluated by the Independent Evaluation Group (IEG) and submitted to the Bank's Board of Executive Directors for information purposes. IEG conducts an independent desk review of all ICRs for validation purposes. For a sample of about 25% closed projects each year, IEG conducts Project Performance Assessment Report (PPAPs), which involve field visits and interviews of multiple stakeholders. The PPAR sample is non-random. Ratings data from ICR Reviews and PPAPs are reported. Aggregate results (trends etc.) are discussed annually in IEG's Annual Review of Development Effectiveness (ARDE). Individual ICR Reviews are available on IEG's website beginning with projects that closed since July 1, 2010. The Operations Policy and Country Services (OPCS) oversee compliance with the reporting policy and provide guidance and support to staff.

20. IFC has been conducting formal self-evaluations and independent evaluations through IEG or independent external firms across its operations. IFC uses the Extended Project Supervision Report template that is completed by the project team with information from the DOTS monitoring tool and then presented to IEG, which then formally conducts the evaluation. In addition, on a limited number of projects IFC builds evaluations into project and program design.

IV. EVALUATIVE APPROACHES BUILT INTO CIF PROJECT IMPLEMENTATION

21. In AfDB, according to the Evaluation Department's work plan, the first evaluations of CIF projects will be launched in year 2014/15.

22. ADB: Each CIF project administered by ADB follows the regular ADB project cycle process and outcomes are measured against the original objectives. The following technical assistance projects have been completed and have their technical assistance completion report posted online:

- a) PPCR
[Nepal Phase 1](#) - Support for Government Planning in Climate Resilience
[Tajikistan Phase 1](#) - Climate Resiliency for Natural Resources Investments
- b) SREP IP Preparation for Nepal
[Scaling Up Micro and Mini Renewable Energy Initiatives](#)
[Scaling Up Small Hydro Power Projects](#)

23. EBRD allows for the evaluation of a project to commence when the project is still active, but has achieved a number of milestones. Projects are selected by the Evaluation Department (EvD) for inclusion in their work plan. The CTF focal point will ensure good coverage of CTF projects with independent evaluation.

24. The first CTF co-financed project of the EBRD is now scheduled for evaluation. TurSEFF (disbursing 2010 – 2013) is subject to an Operational Performance Assessment by EvD by 30 June 2013 (submission of report by Operation Team). TurSEFF was selected based on a discussion between the CTF Focal Point and staff in EvD, and timing decided between EvD and the Operations Team, based on key milestones of the facility being reached. Further projects are likely to be included in the work plan in 2014 and 2015.

25. IDB is already including specific evaluations in some of its CIF operations:

- a) In the Ecocasa Program (CTF Mexico) some of the housing projects will be subject to impact evaluations, by comparing energy consumption and other variables in two samples of program and control group houses. Efforts will be made to follow experimental or semi-experimental approaches.
- b) The Renewable Energy Self-Supply and Energy Efficiency Program (CTF Chile, joint Program with IFC) foresees an impact evaluation. The CTF project preparation grant, currently in execution, includes the design of this evaluation.
- c) The CTF Financing Program for Energy Efficiency in Hotels and Clinics (Colombia) also foresees a semi-experimental impact evaluation.

26. IBRD will conduct impact assessments in a selected number of projects. For instance, the Impact Assessment of the Clean Technology Fund in the Renewable Energy and Energy Efficiency Market in Turkey has already been completed.

27. IFC has been part of the joint MDB evaluation on the CTF Phase 1 project portfolio in Turkey, the Impact Assessment of the Clean Technology Fund in the Renewable Energy and Energy Efficiency Market in Turkey was recently completed. Findings of the evaluations were presented at the Istanbul CIF meetings.

28. The IFC's Blended Finance Unit is currently in the process of developing the Evaluation Framework for IFC projects funded by the CIFs and other donors. Once finalized, certain projects will be selected for evaluation. One objective of this Evaluation Framework is to identify lessons learned from initially implemented CIF projects and provide a feedback loop to formulate strategy, designing and structuring of future IFC implemented CIF funded projects.