

CLIMATE INVESTMENT FUNDS

Joint CTF-SCF/TFC.19/5
May 2, 2018

Joint Meeting of the CTF and SCF Trust Fund Committees
Washington, DC
June 5, 2018

Agenda Item 5

Evaluation and Learning Special Initiative FY18 Annual Report and FY19 Work Plan

SUMMARY

PROPOSED DECISION

The joint meeting of the CTF and SCF Trust Fund Committees reviewed the document Joint CTF-SCF.19/5, *Evaluation and Learning Special Initiative FY18 Annual Report and FY19 Work Plan*, and welcomes the progress on implementing the initiative in FY18 and plans for FY19.

The joint meeting provided feedback and comments on the document, which will be incorporated as the FY19 work plan is implemented. The joint meeting, taking into consideration the high interest and demand for this work, increasing levels of implementation results from the CIF portfolio, and importance of the transformational change learning theme, encourages potential contributors to consider contributing new resources to extend the work of the Evaluation and Learning Special Initiative beyond its initial mandate, to generate additional evaluation and learning on the theme of transformational change.

1. INTRODUCTION AND BACKGROUND

1. This document provides the second Annual Report of the E&L Initiative, highlighting progress on the FY18 Work Plan, as well as a Work Plan and budget for FY19.

2. SUMMARY OF PRIORITY LEARNING THEMES

2. Broadly, E&L activities on priority learning themes and sub-topics include:
 - **Transformational Change:** Understanding and assessing CIF contributions to transformational change, across dimensions and funds, and using various approaches.
 - **Private Sector Investment:** Investigating financing models within key CIF programs and sectors, the role of concessional finance, and market transformation.
 - **Local Stakeholder Engagement and Benefit:** Exploring CIF local stakeholder engagement strategies, Indigenous Peoples (DGM), gender and other topics.
 - **CIF Design and Approach:** Evaluating the effectiveness of the CIF Programmatic Approach as a delivery modality, as well as other CIF strategies and approaches.

2.1. Transformational change

3. The Transformational Change Learning Partnership includes a facilitated group learning process, an in-depth independent evaluation, and a capstone evidence synthesis report offering lessons and guidance on Transformational Change to be delivered by December 2018. Several other ongoing E&L activities are exploring themes relevant to transformational change. These findings and lessons were discussed in TCLP workshops and will be captured in the evidence synthesis report.

2.2. Private sector investment

4. Specific topics which have emerged as priorities within the private sector investment theme include, among others, models of financing private sector investment and market development activities in forests, renewable energy and resilience, and analyzing the uses and impact of concessional finance.

2.3. Local stakeholder engagement and benefit

5. Priority topics that have emerged within the local stakeholders theme include exploring CIF stakeholder engagement practices and outcomes; learning from the DGM for Indigenous Peoples and Local Communities; analyzing gender-related issues, experiences and outcomes across CIF programs and projects; and evaluating household impacts, institutional strengthening, leadership and CSO engagement.

2.4. CIF design and approach

6. The initiative is evaluating various elements of CIF design and implementation approaches. The most significant of these is the Evaluation of the CIF Programmatic Approach, an important part of the CIF design and prioritized by stakeholders as an area for deeper learning and assessment.

3. FY18 PROGRESS AND RESULTS

Objective 1: Implement demand-driven activities through the E&L Call for Proposals

7. A second E&L Call for Proposals was launched in FY18 to MDBs, Recipient Countries, CSO Observers, and CIF Administrative Unit teams for demand-driven E&L activities assessing dimensions of transformational change and related themes. Eleven new activities were approved and funded. E&L activities from previous Calls for Proposals yielded results. Overall, a total of 21 different studies are being implemented through the E&L Call for Proposals mechanism. A full list of E&L activities being implemented through the Calls for Proposals mechanism is presented in Table 1.

Table 1: Status of E&L Call for Proposals activities

Evaluation and Learning Topic/Activity	Implementing Entities	Timing of Deliverables
<i>Transformational Change in program design and implementation</i>		
Assessment of approaches, methods, and tools for program and project design that facilitate transformational change	IDB and ADB	December 2018
Building transformative institutional capacity: Assessing contribution of PPCR to building climate-resilient water governance in Bolivia	IDB	December 2018
Evaluation of transformative change resulting from inclusion of women's organizations and groups in CIF policies and implementation	CSO Observer (WEDO)	December 2018
Evaluating the role of leadership in transformational change across PPCR in Asia-Pacific region	CSO Observer (LEAD Pakistan)	January 2019
<i>Private Sector Investment in forests, resilience and clean energy</i>		
Evaluation of alternative private sector investment models for commercial forestry in Africa	AfDB and CSO Observer (WWF)	November 2018
Pathways for designing mechanism to incentivize deforestation free landscapes and value chain for green growth	World Bank	December 2018
Building an evidence base on private sector investments supporting gender-sensitive climate resilience development in Tajikistan	EBRD	November 2018
Saint Lucia's experience: private sector participation in response to climate change	Government of St. Lucia	December 2018
How do grants, concessional funding and guarantee instruments help leverage private sector financing for renewable energy projects	World Bank	June 2018
The role of concessional financing provided through the CTF to overcome investments barriers and help scale-up low carbon technologies	CIF AU/BNEF	October 2018
Scaling up rooftop solar in the SME sector in India	CIF AU	December 2018
<i>Local Stakeholder Engagement and Benefit, including gender and IPs</i>		
Exploring methodologies to measure household climate resilience in vulnerable countries and communities in Zambia	World Bank	October 2018
Local stakeholder engagement and benefits under CIF Investment in Cambodia: Case studies of PPCR and SREP	CSO Observer, Live and Learn	October 2018
Filling the data gap: FIP contribution to poverty alleviation and green growth	World Bank	January 2019
Social identity framing to get Mexican Rural Women REDDYy for the participation in natural resource management (WB and CONAFOR)	World Bank	January 2019
Achieving transformational change through the Dedicated Grant Mechanism – an Indigenous Lens	CSO Observer, Univ. of Waikato	January 2019
<i>CIF Design and Approach, including program and project strategies and approaches</i>		
FIP – Lessons learned from Country Investment Plans (WB)	World Bank	May 2018
Maximizing synergy and complementarity among International Climate Funds: evidence, challenges and opportunities (CIF AU)	CIF AU	January 2019
Evaluation of Sustainable Land Management and innovative financing to enhance climate resilience and food security in Bhutan	Government of Bhutan	September 2018
Climate change and Health in Sub-Saharan Africa: the case of Uganda	Government of Uganda	October 2018
Evaluating operational pathways used for modernizing National Hydrological and Meteorological Organizations for weather, water and climate services	World Bank	November 2018

Objective 2: Deliver strategic, cross-cutting evaluations on priority learning themes

8. FY18 marked the delivery of several major cross-cutting evaluations. These include the evaluation of the CIF Programmatic Approach, the Transformational Change Phase 1 Portfolio Analysis, the Financing Forest Enterprises evaluation, and the evaluation of the DGM for Indigenous Peoples and Local Communities in the FIP (see Section 2). Findings and lessons from these evaluations are being discussed at key CIF events and learning dialogues, with plans to disseminate more broadly in FY19. A summary of the status of these activities, with approximate timing of final deliverables, are reflected in Table 2.

Table 2: Status of strategic, cross-cutting E&L activities

Evaluation and Learning Activity	Timing of Final Deliverables
Transformational Change Learning Partnership, Evaluation, and Capstone Evidence Synthesis Report	December 2018
Evaluation of the CIF Programmatic Approach	June 2018
Evaluation of Financing Forest-related Enterprises	June 2018
Evaluation of Dedicated Grant Mechanism (DGM) for Indigenous Peoples and Local Communities in the FIP	June 2018
Evaluation of Local Stakeholder Engagement in the CIF	December 2018
PPCR Learning Partner Knowledge Briefs ¹	June 2018

Objective 3: Ensure value creation through effective engagement, dissemination and uptake

9. A wide range of CIF stakeholders and external groups were engaged substantively at various stages of E&L activities. Using collaborative approaches to engage stakeholders in learning throughout the evaluation process to inform ongoing strategies and decisions is a core principle of the E&L Initiative, and an important precursor to enhanced use and uptake of evaluation findings.
10. The Advisory Group encourages potential contributors to consider contributing new resources to extend the work of the Evaluation and Learning Special Initiative beyond its initial mandate.² This will enable additional strategic evaluation and learning on the priority theme of transformational change, for the benefit of the wider climate finance architecture.

¹ Includes three knowledge products on SME financing for resilience, water resources management and lessons learned and applied from PPCR regional exchanges.

² This is consistent with an earlier recommendation made by the CIF Administrative Unit to the SCF TFC in its Intersessional meeting on March 8th 2018. (See [Long-term SCF Administrative Costs and Funding Options](#). SCF/TFC.IS.1/2, pg. 18. February 2018).

4. FY19 WORK PLAN

11. The primary goal of the E&L Initiative in FY19 is to generate insights and guidance on transformational change and other learning priorities, in order to inform decisions and strategies in the CIF and wider climate finance sector.

12. Key objectives and intended outcomes to support the overall FY19 goal include:

- **Quality Assurance:** Evaluations are implemented efficiently and produce high quality deliverables that meet expectations and generate opportunities for learning.
- **Coherence:** The initiative presents a strategic and coherent approach and narrative, based on the priority learning themes.
- **Dissemination and Uptake:** Well-targeted and executed dissemination events, products and uptake activities, with clear and concise key messages and actions to support use, effectively engage stakeholders in learning and uptake of lessons.

5. BUDGET

13. The E&L Business Plan denotes an overall implementation and budgeting strategy based on setting up and piloting partnerships and approaches in Year One (FY17), ramping up spending to scale successful approaches and major E&L activities in Year Two (FY18), and maintaining these efforts while focusing on dissemination in Year Three (FY19). It is important to note that due to UK currency exchange rate fluctuations, an initial estimated USD 9 million allocation for the three-year E&L Initiative has been reduced to a total of approximately USD 7.6 million at present, and this figure is reflected below. An updated three-year forecast is presented in Table 3.

Table 3. Actual and Planned Estimated Budget Commitments and Disbursements Y1-Y3³

Year	Budget commitments (USD)	Budget disbursements (USD)
Y1 (FY17) Actual Budget	\$3,100,000	\$2,000,000
Y2 (FY18) Actual Budget	\$3,700,000	\$3,000,000
Y3 (FY19) Estimated Budget	\$800,000	\$2,600,000
Total	\$7,600,000⁴	\$7,600,000

³ The term “budget commitments” refers to funds which have been or will be committed to contracts with vendors for specified E&L services over a particular duration. The term “budget disbursements” refers to funds that have been or will be disbursed as part of the payment schedules in these contracts. As contracts are generally for 6-18 months, with payment upon deliverables, the full disbursements paid out over the course of a contract will generally lag behind the total commitment allocations which are determined upfront upon contract signing.

⁴ This is the total amount of funding in USD for the three-year E&L Initiative (FY17-FY19), reflecting a lower amount than the initially-estimated USD 9 million due to UK currency exchange rate fluctuations.