

CLIMATE INVESTMENT FUNDS

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IMPLEMENTATION OF THE CIF RESULTS FRAMEWORKS – PROGRESS REPORT –

I. INTRODUCTION

1. Results frameworks for the CTF, FIP, PPCR and SREP have been approved by the Trust Fund Committees. The objective of CIF M&E activities is to support countries to monitor implementation of projects and programs and take corrective action/decisions based on information generated through the M&E system. The results frameworks are designed to operate: (i) within existing national monitoring and evaluation systems; and (ii) the MDBs' own managing for development results (MfDR) approach. The development of parallel structures or processes for CIF monitoring and evaluation should be avoided and national systems and capacities need to be taken into account when applying the results frameworks. Institutions, leading country efforts in mitigation and climate change, will be at the frontlines of these activities. The responsibility, however, for establishing country-driven M&E systems related to CIF investments is shared with the MDBs.
2. By integrating the CIF M&E results frameworks into national M&E systems, countries will take the lead and establish a managing for results philosophy that will help enhance the design and impact of their investments. They also gain the opportunity to share experiences and lessons with others, thereby helping to accelerate the CIF's "learning-by-doing" process in support of the replication of good practices for managing and sustaining climate change transformation at the country level. MDB task teams initiated work with CIF countries to implement the results frameworks. Implementation comprises: working with pilot countries to integrate M&E activities in the preparation and implementation of CIF financed (i) country and regional investment frameworks¹; and (ii) related projects/programs involving public and private sector operations. The M&E system needs to reflect the interdependencies among these two levels.
3. With the approval of the results frameworks as living documents, the Trust Fund Committees established the basis for an adaptive M&E approach. The data generated through the M&E system should allow countries to take corrective action based on information/evidence. The adaptive management approach requires a constant and sustained feedback mechanism which allows countries to reflect on measures, approaches, methodologies etc. and initiate change when data or observations point towards the need to adapt to changing circumstances.
4. The progress report provides a brief update on efforts in (i) implementing the results frameworks and; (ii) developing an M&E sourcebook and toolkit platform.

II. IMPLEMENTING THE RESULTS FRAMEWORKS

5. The CIF AU and the MDB Committee developed M&E guidelines for country teams. The guidelines for CTF, FIP, PPCR and SREP are attached for information in annex I.
6. **CTF** - The CIF funds and programs are in different stages of their development. This is also reflected in the implementation of the results frameworks. The CTF is the most advanced program under the CIF. To date, the CTF Trust Fund Committee has endorsed 14 investment plans for

¹ The term "strategic country program" refers to Investment Plan under CTF, Strategic Program for Climate Resilience (SPCR) under PPCR, Investment Plan under FIP, and Financing Plan under SREP.

\$4.5 billion and approved 24 projects for \$1.7 billion. However, the relative fast progress poses extraordinary challenges in terms of building M&E systems, particularly at the investment plan level. The CIF AU and the MDB Committee decided to work closely with a few CTF countries expressing interest in developing show cases. The show cases will provide a platform for dialogue with all CTF countries on the challenges and opportunities in establishing sustainable M&E systems. Lessons will be shared with other countries in CTF country meetings.

7. **FIP** - The FIP is still in an early stage of developing country programs. This provides a great opportunity to initiate a discussion on establishing M&E systems at the beginning of the engagement process. It is expected that the M&E approach (e.g., results framework) in each FIP pilot country is briefly outlined in the investment plan. The pilot countries meeting in Brazil in February 2012 will provide an opportunity to reflect on the M&E approach. Discussions will focus on the institutional and organizational setting, the indicators and the methods and methodologies to monitor results.

8. **PPCR** - The PPCR is the second most advanced program under the CIF. 11 Strategic Programs for Climate Resilience (SPCR) have been endorsed with funding requests for \$684 million. 4 PPCR projects have been approved for \$34 million. Most of the PPCR pilot countries have detailed results frameworks and indicators presented in their SPCRs. The challenge for the PPCR countries is now to develop baselines and targets and establish the institutional and organizational framework to ensure that projects/programs are anchored within the M&E approach at the SPCR level. The pilot countries meeting in Zambia in March 2012 will provide an opportunity to reflect on the M&E approach. Discussions will focus on the institutional and organizational setting, the indicators and the methods and methodologies to monitor results.

9. **SREP** - The SREP is also in an early stage of developing the country programs. The first investment plan, Kenya, was endorsed by the SREP Sub-Committee in September 2011. Several Sub-Committee members raised concerns in relation to the proposed results framework. Establishing baselines and targets seems to be a significant challenge for SREP countries at investment plan preparation stage. The experience with Kenya and Mali in developing their results framework points in the direction of a significant revision of the results frameworks in order to reach to a simplified approach with better clarity on core objectives, expected co-benefits and the outputs the project/program level to achieve these. The pilot countries meeting in Kenya in March 2012 provides an opportunity to seek feedback from the pilot countries on their experience with the logic model and the results frameworks.

10. **Core indicators** - The logic model and the results framework are designed to provide a basis for mid- to long-term reporting and eventually evaluation efforts. Therefore, it is important to establish comprehensive M&E systems within a pilot country based on the results frameworks. However, users have already identified the need to focus on a limited set of core indicators and simplification of the results frameworks. These core indicators provide the basis for a more standardized approach across the pilot countries and regional pilots. It is expected that the country teams discuss these core indicators with all the pilot countries and regional institutions (if applicable) and establish baselines and targets for these core indicators within the next three months. It is expected that core indicators are in place for all the programs by December 2011, so that reporting against these indicators can start in 2012. The core indicators for CTF, FIP, PPCR and SREP are presented in annex II.

11. **Reporting progress** - In order to ensure a comprehensive progress reporting, the core indicators need to be complemented with data concerning the portfolio development. There is no need for any additional analysis or data mining, project portfolio performance data should be extracted from the MDBs' own project portfolio review system. Basic essential information on the projects/programs including: (i) financial information (commitments, expenditures, contract awards, etc.); (ii) project rating; (iii) thematic and operational priorities; and (v) major issues and problems. Based on the project/program reporting, the countries will consolidate the reports in a comprehensive implementation progress report to the Trust Fund Committees and Sub-Committees. The progress report will have to demonstrate how countries are performing in terms of established goals and objectives. Beginning in 2012, the CIF AU will consolidate the reports of the countries and provide feedback to the Trust Fund Committees and Sub-Committees within the CIF Annual Report, Semi-Annual reports on operations, and occasionally in thematic results reports. Such an approach will ensure that the Trust Fund Committees and Sub-Committees receive updates on the status of the implementation and achievement of results by investment plan at the CIF programmatic level on a regular basis.

III. MONITORING AND EVALUATION SOURCEBOOK AND TOOLKIT PLATFORM

12. Recognizing the need to provide CIF pilot countries with access to practical tools and instruments to assess and monitor climate change actions in their countries, the MDB Committee and the CIF AU decided to develop an M&E sourcebook and a toolkit platform to provide countries with practical assistance in developing M&E systems to monitor and evaluate: (i) the investment plans (IP)/strategic program for climate resilience (SPCR); and (ii) the CIF financed projects/programs. The focus of the M&E sourcebook will be on the indicators and the related tools, methodologies, instruments to ensure a comprehensive and consistent reporting across the CIF programs.

13. The objective of the toolkit platform is to provide CIF pilot countries with a repository of tools, methodologies and instruments for climate change related activities. The toolkit will be organized by themes such as economic analysis, finance, environment, social, gender, and technology. The sourcebook and the toolkit will be developed in a participatory way to allow multiple stakeholders to engage early on in the development of the two products.

14. As part of the CIF Global Support Program website (CIFNET), an M&E sourcebook and toolkit electronic platform will be developed to enable users to download and share methods, tools and methodologies required for design, implementation and reporting on CIF investment plans and projects/programs. The platform will include a collaboration feature allowing users to exchange views and experiences on different indicators, tools, methods and methodologies.

15. The platform will be delivered in two phases:

16. **Phase 1:** A mock-up of the site will be delivered by **October 28, 2011**. The mock up will contain the main landing page, a results framework page for the CTF, indicator landing pages and the indicator detail page. Interactive features will not be available during this stage.

17. **Phase 2:** The fully functional site with all the features after internal IT approvals are confirmed will be delivered by **April 30, 2012.**

18. The quality and practicality of the sourcebook and the toolkit platform will depend largely on the collaboration of the MDBs and other key stakeholders to populate the website with tools, methodologies, instruments relevant for climate change operations in 'real life'. During the process of developing the sourcebook and the toolkit platform the CIF AU will engage with technical experts across a broad set of stakeholders in specialized agencies, think tanks, bilateral development partners, CSO and also pilot countries. These stakeholders might be interested at a later stage in establishing an open dialogue to exchange experiences on a regular basis.

ANNEX I

DRAFT M&E Guidelines

CTF

FIP

SREP

PPCR

CTF MONITORING AND EVALUATION
DRAFT Preliminary Guidance Note for CTF Country Teams

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CTF MONITORING AND EVALUATION

DRAFT Preliminary Guidance Note for CTF Country Teams

I. INTRODUCTION

1. A results framework for the CTF has been approved by the Joint CTF/SCF Trust Fund Committee in November 2010. MDB task teams need to work with CTF countries to implement the results frameworks as soon as possible to build the foundation for results reporting.
2. Implementation comprises: working with pilot countries to integrate M&E activities in the preparation and implementation of CTF financed (i) country and regional investment plans; and (ii) related projects/programs involving public and private sector operations. The M&E system needs to reflect the interdependencies among these two levels. There is an urgent need to establish a comprehensive M&E system to ensure that projects/programs under the investment plans (IP) are indeed anchored within the overall strategic approach.
3. To provide a common framework for this undertaking, this note summarizes the (i) objective and institutional arrangement; (ii) Country level CTF Monitoring and Evaluation; (iii) Project/Program level CTF Monitoring and Evaluation; and (iv) reporting.

II. OBJECTIVE AND INSTITUTIONAL ARRANGEMENTS

4. The CTF aims to initiate transformation toward low carbon climate resilient development. The objective of CTF M&E activities, therefore, is to help to strengthen national M&E systems to monitor and evaluate the impact of activities aimed to address climate change mitigation. The M&E system will support countries to monitor implementation of projects and programs and take corrective action/decisions based on information generated through the M&E system. The results frameworks are designed to operate: (i) within existing national monitoring and evaluation systems; and (ii) the MDBs' own managing for development results (MfDR) approach.
5. By integrating the CTF M&E results frameworks into national M&E systems, countries will take the lead and establish a managing for results philosophy that will help enhance the design and impact of their investments. They also gain the opportunity to share experiences and lessons with others, thereby helping to accelerate the CIF's "learning-by-doing" process in support of the replication of good practices for managing and sustaining climate change transformation at the country level.
6. There are three key elements of the CTF M&E approach that need to be followed by CTF financed projects:
 - a) **Planning**
 - CTF project/program planning should use a flexible planning approach, with results cascading from the country level to projects and indicator reporting from projects/programs aggregated at the country level.
 - There should be a logic model in the investment plan that sets the strategic direction and identifies the results that identified priority projects/programs must contribute to.
 - Investment plans should articulate the issues, priorities for investments, challenges, and risks to be addressed in a country context.

- Catalytic results – beyond the immediate output of projects/programs under the CTF – should also be clearly identified and the reporting approach outlined in the investment plan.
- Project and program documents should describe the expected results of individual interventions, linked to the overall results framework for the pilot country.
- Project and program documents should include results frameworks, indicators, baselines, and targets and the methodology how the data will be produced. These documents should be shared with the CIF Administrative Unit.

b) Monitoring and Reporting

- CTF financed projects and programs are implemented using MDB processes, procedures and systems. However, there is a set of indicators for the CTF that must be included in projects/programs.
- Countries supported by the MDBs are mainly responsible for collecting and reporting data on all these key indicators. The government will identify and charge an executing agency with reporting responsibility.
- Project outputs and outcomes are expected to be monitored and reported on a regular basis using the key indicators. Reporting is expected at the start when establishing the baselines, at mid-term and upon completion. Annual reporting is desirable whenever feasible.
- Countries are the main reporting units of the CTF. Reporting against the implementation of the investments plans/strategies is at the core of the CTF M&E system. The government will identify and charge an executing agency with reporting responsibility.
- A programmatic approach at the country level requires that country institutions take the lead in consolidating data from projects/programs at the country level and report these to the CTF Trust Fund Committee through the CIF Administrative Unit. Countries need to nominate an institutional focal point for M&E – taking the responsibility to manage the CTF M&E efforts, particularly the reporting to the CTF Trust Fund Committee.

c) Learning and Knowledge Management²

- CIF knowledge management activities are closely linked to CIF's work on monitoring and reporting.
- CTF projects will need to include knowledge management activities involving identifying, creating, organizing, sharing and using lessons learned, and good practices in CTF pilot country programs and projects.
- CIF's knowledge management activities have themselves to be targeted towards a set of KM results that must be monitored and reported on.

7. With the approval of the CTF results framework as living document, the CTF Trust Fund Committee established the basis for an adaptive M&E approach. The data generated through the M&E system should allow countries to take corrective action based on information/evidence. The adaptive management approach requires a constant and sustained feedback mechanism which allows countries to reflect on measures, approaches, methodologies etc. and initiate change when data or observations point towards the need to adapt to changing circumstances.

8. A robust M&E system requires appropriate institutional arrangements for assigning functions and responsibilities for managing the integration of M&E systems. The institutional setting will be determined

² Detailed guidance on information sharing and lessons-sharing activities (ISL) is available in *Integrating Information Sharing and Lessons-Learning CIF Country Programs and Projects – A Guidance Note for MDB Task Teams*, shared with the MDBs on March 14, 2011.

as part of the preparation of the individual investments. They will be a consequence of the nature of proposed M&E priorities, existing institutional structures and arrangements, and the fact that the M&E system development needs to be managed at the government level (see Table1).

Table 1: Possible Institutional Arrangements for Managing for Results

<i>Responsibility</i>	<i>Function</i>
<i>Unit or agency within the CTF country with enhanced M&E capacity (lead for development and implementation of the strategic country program)³</i>	<ul style="list-style-type: none"> - <i>Coordinate the integration of the CTF results framework into the national M&E system and ensure that M&E arrangements are reflected in the investment plan document submitted for CTF Trust Fund Committee review and approval.</i> - <i>Monitor or assess the catalytic replication indicators.</i> - <i>Manage the assessment of current M&E capacity and gap analysis in terms of baselines, targets, technology (IT support) and HR capacity.</i> - <i>Manage the progress reporting in implementing the IPs.</i> - <i>Prepare progress reports on IP implementation to the CTF Trust Fund Committee annually.</i> - <i>Monitor project/program implementation and request regular project performance updates in line with agreed procedures from the relevant government agencies and MDBs.</i>
<i>Sector ministries/private sector arms of the MDBs on behalf o private sector entities</i>	<ul style="list-style-type: none"> - <i>Manage the M&E systems at the project/program level and ensure regular progress reporting to (i) the central coordinating unit; and (ii) communicate with all relevant stakeholders.</i> - <i>Private sector entities report through the respective MDBs managing the relationship as the legal and implementation agreement is between the private client and the MDB only. The private sector MDB will include the CTF core M&E indicators as well as relevant project-specific indicators to its standard institutional reporting requirements and communicate these to the unit or agency leading the CTF M&E approach in the pilot country.</i>
<i>Implementation units (public/private sector – executing agencies, MDBs) for individual CTF funded projects</i>	<ul style="list-style-type: none"> - <i>Manage the establishment of M&E systems for each individual project/program.</i> - <i>As agreed with the central program coordination unit report on progress on outputs and outcomes indicators on a regular basis.</i>

9. Capacity development needs to be a key element in all efforts to strengthen a results-oriented management approach of individual projects/programs but also the management of investment plans as a whole. Hence, the identification of capacity needs is essential for successful strategic management of CTF operations in CTF countries.

10. The capacity of country institutions to carry out above and other M&E activities would, as required, be strengthened through:

- *upgrading of existing, or acquisition of new, equipment and services to effectively link local teams to web-based performance measurement systems;*

³ It is essential to note that the CTF M&E system is supposed to operate within the countries own institutional setting. It is not envisaged to establish separate or new M&E units within a country. In the case of a regional project, it would be appropriate for the entity selected for managing the regional component of the project to assume the coordinating function for ISL activities.

- *capacity development on the use of appropriate methodologies to measure results;*
- *using local consultant services (when feasible) to establish baselines and upgrade M&E systems;*
- *using local [staff] and/or consultants (when feasible) to manage the country/project sites for generating and reporting performance data;*
- *using local [staff] and/or consultants (when feasible) to capture and document experiences and lessons in developing and implementing strategic country programs and their investment projects (including possible out-sourcing to local organizations and academic institutions);*
- *contracting for the organization, holding, and documenting outcomes of M&E activities through workshops with local stakeholders; and*
- *facilitating the participation [travel, accommodation] of local team members in CIF pilot/partner country meetings and other relevant external knowledge sharing events.*

III. COUNTRY LEVEL CTF MONITORING AND EVALUATION

a) Setting up the CTF M&E system at the country level

11. Regions and countries which are in the process to develop their investment plans should discuss and present the envisaged M&E approach in the investment plan. It is expected that M&E sections in the IP comprises: (i) a results framework to monitor progress and evaluate the implementation of the IP; (ii) a brief description of the institutional arrangements with assigning roles and responsibilities; and (iii) outlining resource requirements to establish and manage the M&E approach.⁴ Annex 1 outlines in more details how the M&E section in the IP could be developed and specific aspects of M&E this section in the IP might highlight. Regions and countries which have already approved investment plans will need to re-engage, if necessary, with the MDBs to discuss the M&E approach.

12. The following detailed steps for the country level M&E approach are suggested:

Step	Activity	Expected output	Lead	Support
1	<i>access technical data and methodologies, information, and lessons learned</i> from other managing for development results (MfDR) initiatives. A stock-taking exercise is needed to explore whether other initiatives are already promoting enhanced M&E system development. The CTF might build on or complement these ongoing initiatives.	Synergies with other managing for development results initiatives	Government/ regional institutions (if applicable)	MDB
2	<i>identify technical, system and capacity gaps</i> for M&E in climate change. It is expected that this analysis will provide a better idea about the nature of interventions needed to establish the regional/country M&E system. This step should also include a cost estimate for establishing the M&E system.	Gap analysis – better understanding of the needs	Government/ regional institutions (if applicable) – implementing entity	MDB
3	<i>discuss the institutional and organizational</i>	Clear institutional	Government/	MDB

⁴ Baselines and targets are very important to establish a sound basis for an effective M&E approach. It can be expected that for some indicators it might be rather difficult to establish baselines or targets at the time of IP formulation. However, it is important to outline briefly in the M&E section how the country is going about establishing targets and baselines for indicators which do not have these at the time when the IP is presented to the CTF Trust Fund Committee.

Step	Activity	Expected output	Lead	Support
	<i>setting for the M&E system.</i> It is expected that investment plans include a paragraph about the envisaged M&E approach. This section should discuss and provide which agency/ organization is taking the lead in managing CTF M&E.	and organizational structure for CTF M&E at the country level	regional institutions (if applicable)	
4	<i>assess baselines and establish targets</i> for catalytic and replication results at the country level. The investment plans should include a results framework with context specific indicators. Ideally the results framework incorporates the suggested CTF key indicators with baselines and targets. At least, the investment plan should outline an approach how to establish baselines for relevant indicators.	Results framework at the investment plan level with baselines and targets	Implementing entity	MDB
5	<i>share lessons with other pilot countries in assessing and establishing M&E systems.</i> Pilot countries should document the process of establishing CTF M&E systems and share these lessons with stakeholders within and outside the CTF pilot countries.	Learning from experiences	Government/ regional institutions (if applicable): CTF coordination unit with implementing entities	MDB

b) CTF indicators at the country level

13. Baselines and targets at the national level need to be established to the extent possible for the following approved CTF key indicators:

Results	Indicators	Means of Verification
Transformed energy supply and demand to low carbon development pathways	a) Energy Development Index – EDI Score b) Employment generated (number of jobs created – women/men/poor people) in clean technology / transport c) Energy intensity of GDP (MJ/USD) d) Change in GHG emissions per unit of energy consumed (tCO ₂ /MJ) e) Percentage change (%) in electricity coverage in rural areas	OECD/ IEA – World Energy Outlook Qualitative and quantitative study across CIF pilot countries National Statistics/ National GHG emissions monitoring
1. Increased investment in clean production and consumption technologies	a) Percentage change (%) and total figure of low carbon investment of total energy sector investments – government b) Percentage change (%) and total figure of low carbon investment of total energy sector investments – private sector	New Energy Finance Ltd. / Bloomberg country database

Results	Indicators	Means of Verification
2.Strengthened enabling environment for clean production and consumption technology	a) Degree to which the policy/ regulatory environment is supportive of clean technology for all b) Degree to which national energy and major city urban transport plans of CTF countries take into account clean technology <ul style="list-style-type: none"> • mainstreaming low carbon in power sector expansion plan • Number of climate friendly EE/RE/ legislations and secondary regulations passed • Reduction in energy subsidies or degree of tariff rationalization c) Quality of participatory planning process (as assessed by private sector, CSOs, and other stakeholders)	Qualitative study across CTF pilot countries Data of the REN21 reports Stakeholder surveys
3. Low carbon technologies proven at scale	a) Change in cost / unit of production over time; fossil fuels versus renewable energy b) Cost per ton of CO ₂ equivalent abated	National Statistics In-depths study across the CTF pilot countries
4.Decreased air pollution from energy production and consumption	Prevalence of Acute Respiratory Infections (ARI) (in children under 5 years) (rural/urban)	National Statistics. This is reported in the World Development Indicators (WDI) and is an indicator of respiratory illnesses.

c) CTF financing for establishing CTF M&E systems at the country level

14. The amount of CTF project grant funding sought for integrating the CTF results framework into national M&E systems will depend in each case on (i) the quality of the existing M&E system and related institutional capacity, (ii) the extent to which ongoing activities are already in place to satisfactorily allow impact monitoring and evaluation (e.g., national M&E systems for monitoring and evaluating climate change action plans); and (iii) the availability of non-CTF sources of funding for this purpose (e.g., MfDR activities of bilateral or multilateral donors). Hence, there is no fixed limit to CTF funding. Countries and MDBs will incur additional costs in developing CTF-related national M&E systems. Funding arrangements are outlined in annex 2.

IV. PROJECT/PROGRAM LEVEL CTF MONITORING AND EVALUATION

15. Project/program level CTF M&E needs to ensure a close link with the expected results at the country level. The project/program design document needs to clearly outline the envisaged results chain.

16. The following steps are suggested to establish the M&E system for CTF financed projects/programs:

Step	Activity	Expected output	Lead	Support
1	<i>discuss the logic model with stakeholders.</i> The logic model discussion is important to ensure that there is a clear understanding how the envisaged project is fitting into the	Results chain: project/program outputs – country outcomes - impact	MDB	Government / implementing entity/ agency

Step	Activity	Expected output	Lead	Support
	country's approach in initiating transformational change and climate resilient development.			
2	<i>discuss the results framework with respective project/ program implementing entity.</i> This process will help to identify the relevant indicators. Not all proposed indicators in the results frameworks will be relevant for all the projects/programs.	Agreement on the core indicators for tracking project/program progress	MDB	Implementing entity/ agency
3	<i>discuss the institutional and organizational setting for the M&E system.</i> It is expected that investment plans include a paragraph about the envisaged M&E approach. This section should discuss and provide which agency/ organization is taking the lead in managing CTF M&E.	Clear institutional and organizational structure for project/program M&E responsibility	Implementing entity/ agency	MDB
4	<i>assess baselines and establish targets</i> for the relevant indicators. A cost estimate for assessing baselines is needed at this stage.	Results framework at the project/program level with baselines and targets	Implementing entity/agency	MDB
5	<i>Develop a detailed M&E plan</i> for the implementation of the project/program and submit M&E plan for MDB Committee approval	M&E Plan	Implementing entity/agency	MDB
6	<i>Share lessons with other projects/programs in assessing and establishing M&E systems.</i> Implementing entity/agency should document the process of establishing CTF M&E systems and share these lessons with stakeholders within and outside the pilot country.	Learning from experiences	Implementing entity/agency	MDB

17. The CTF results framework is designed to provide a flexible framework to allow for (i) country-driven, country-context specific projects/programs with a rather broad set of interventions; and (ii) working within the MDBs own managing for results approach. This means that the concept of mandatory indicators needs to be applied practically. CTF financing is foreseen mainly for the energy sector, the transport sector and for energy efficiency projects/programs. Hence, the project/program results frameworks need to reflect the key indicators for each of these areas. However, not all projects need to reflect all the indicators. Transport projects focus on transport relevant indicators, renewable energy projects on energy project relevant indicators and energy efficiency on efficiency relevant indicators. Nevertheless, there are indicators related to GHG emission reduction, employment, capacity development, leverage of funding, and learning – which need to be reflected in all projects.

18. **Transport projects/programs** have to include the following indicators with baselines and targets (if feasible) in the project/program M&E frameworks:

Results	Indicators	Means of Verification
1. Direct GHG emissions avoided	Tons (millions) of CO ₂ -equivalent mitigated and \$ cost per ton: Transport	Project M&E
2. Increased employment generated	Net number of jobs (women/men/poor people) created in transport	Project M&E
3. Increased capacity to	a) Degree to which regulatory arrangements are	MDB analysis

Results	Indicators	Means of Verification
plan, manage, and finance clean technology solutions	capable of effectively implementing the CTF country government's clean technology related policies and programs b) Level of private / public sector capacity to build and operate clean production facilities and implement industrial projects including building retrofits and construction c) Level of skills of the domestic financial sectors to assess and supervise RE projects and undertake financial assessment of EE / DSM activities	
4. Increased vehicle kilometers travelled using low carbon modes of transportation	g CO ₂ /passenger km	Project M&E
5. Increase in access to affordable, reliable and modern transport services for poor women and men	a) Change in share of public transport as percentage of total trips in relation to projects/programs in transport b) Change in accessibility of public transport (geographical, women, men, poor)	Project M&E
6. Leveraging – new and additional resources for clean technology projects	Leverage factor of CTF funding (by level of concessionality); \$ financing from other sources (contributions broken down by MDBs, governments, multilaterals and bilaterals, CSOs, private sector)	Project M&E
7. Integration of learning by range of development actors involved in low carbon development and climate resilience	Number and type of knowledge assets (e.g., publications, studies, knowledge sharing platforms, learning briefs, communities of practice, etc.) created	Project M&E Qualitative assessment by the CIF AU – annually

19. **Renewable energy projects/programs** have to include the following indicators with baselines and targets (if feasible) in the project/program M&E frameworks:

Results	Indicators	Means of Verification
1. Direct GHG emissions avoided	Tons (millions) of CO ₂ -equivalent mitigated and \$ cost per ton: renewable energy (RE)	Project M&E
2. Increased employment generated	Net number of jobs (women/men/poor people) created in transport, renewable energy, EE / DSM in relation to CTF projects/programs	Project M&E
3. Increased capacity to plan, manage, and finance clean technology solutions	a) Degree to which regulatory arrangements are capable of effectively implementing the CTF country government's clean technology related policies and programs b) Level of private / public sector capacity to build and operate clean production facilities and implement industrial projects including building retrofits and construction	MDB analysis

Results	Indicators	Means of Verification
	c) Level of skills of the domestic financial sectors to assess and supervise RE projects and undertake financial assessment of EE / DSM activities	
4. Increased MWh of low carbon electricity and heat production	Number of MWh generated by RE projects/programs	Project M&E
5. Leveraging – new and additional resources for clean technology projects	Leverage factor of CTF funding (by level of concessionality); \$ financing from other sources (contributions broken down by MDBs, governments, multilaterals and bilaterals, CSOs, private sector)	Project M&E
6. Integration of learning by range of development actors involved in low carbon development and climate resilience	Number and type of knowledge assets (e.g., publications, studies, knowledge sharing platforms, learning briefs, communities of practice, etc.) created	Project M&E Qualitative assessment by the CIF AU – annually

20. **Energy efficiency/demand side management (DSM) projects/programs** have to include the following indicators with baselines and targets (if feasible) in the project/program M&E frameworks:

Results	Indicators	Means of Verification
1. Direct GHG emissions avoided	Tons (millions) of CO ₂ -equivalent mitigated and \$ cost per ton: Transport, renewable energy (RE), and energy efficiency (EE) / demand side management (DSM)	Project M&E
2. Increased employment generated	Net number of jobs (women/men/poor people) created in transport, renewable energy, EE / DSM in relation to CTF projects/programs	Project M&E
3. Increased capacity to plan, manage, and finance clean technology solutions	a) Degree to which regulatory arrangements are capable of effectively implementing the CTF country government's clean technology related policies and programs b) Level of private / public sector capacity to build and operate clean production facilities and implement industrial projects including building retrofits and construction c) Level of skills of the domestic financial sectors to assess and supervise RE projects and undertake financial assessment of EE / DSM activities	MDB analysis
4. Increased GWh of energy savings	Number of MWh saved by EE / DSM projects/programs	Project M&E
(i)power sector	Change in carbon intensity of energy production (tCO ₂ equivalent / MWh) in relation to EE / DSM projects/programs	Project M&E
(ii)building/ construction sector	Change in energy consumption in building sector (KWh/Sq. ft) (disaggregated by old/new, private/public buildings)	Project M&E
(iii)industrial sector	Change in tCO ₂ / unit of output in relation to EE /	Project M&E

Results	Indicators	Means of Verification
	DSM projects/programs	
(iv) agricultural sector	kJ expended in agricultural production / ha cultivated in relation to EE / DSM projects	Project M&E
5. Increase in access to affordable, low carbon energy for poor women and men	a) Number of new connections for domestic/commercial consumers in rural and urban areas due to projects/programs (disaggregated by poverty / women/men) b) Cost (\$) / GWh of RE for project/program beneficiaries compared to fossil fuels/conventional energy	Project M&E
6. Leveraging – new and additional resources for clean technology projects	Leverage factor of CTF funding (by level of concessionality); \$ financing from other sources (contributions broken down by MDBs, governments, multilaterals and bilaterals, CSOs, private sector)	Project M&E
7. Integration of learning by range of development actors involved in low carbon development and climate resilience	Number and type of knowledge assets (e.g., publications, studies, knowledge sharing platforms, learning briefs, communities of practice, etc.) created	Project M&E Qualitative assessment by the CIF AU – annually

d) CIF financing for establishing CTF M&E systems at the project/program level

21. Funding requirements for establishing CTF M&E systems for each project/program will depend on the country- context (e.g., existing capacity at the project level); and (ii) the nature of the individual project/program. Countries and MDBs will incur additional costs in developing program/ project specific M&E systems. Funding arrangements are outlined in annex 2.

V. REPORTING

22. **CORE INDICATORS** - The logic model and the results framework are designed to provide a basis for long-term reporting and eventually evaluation efforts. Therefore, it is important to establish comprehensive M&E systems within a pilot country based on the CTF results framework. However, for medium-term progress reporting to the CTF Trust Fund Committee there is a need for focusing on a limited set of core indicators. These core indicators provide the basis for a more standardized approach across the pilot countries and regional pilots. It is expected that the country teams discuss these core indicators with all the pilot countries and regional institutions (if applicable) and establish baselines and targets for these core indicators within the next three months. The CTF Trust Fund Committee expects that core indicators are in place for all the programs by November 2011, so that reporting against these indicators can start in 2012.

23. The following core indicators are suggested for CTF medium-term reporting:

Indicator
Investment Plan level
Energy intensity of GDP (MJ/USD)
Cost per ton of CO ₂ equivalent abated
Project/program level

Indicator
Tons (millions) of CO ₂ equivalent mitigated and \$ cost per ton
<i>Transport: g CO₂/passenger km</i>
<i>Renewable Energy:</i> Number of MWh generated by RE projects/programs Installed capacity - MW
<i>Energy Efficiency: Energy saved (MJ or TOE)</i>

24. It is suggested that country teams review carefully the above indicators and report only against the indicators for the sectors which the IP is going to address. Other sector core indicators can be ignored. Such an approach will allow the MDBs and the CIF AU to cover the whole range of IP operations.

25. These core indicators need to be complemented with data concerning the portfolio development. There is no need for any additional analysis or data mining, project portfolio performance data should be extracted from the MDBs' own project portfolio review system. Basic essential information on the projects/programs including: (i) financial information (commitments, expenditures, contract awards, etc.); (ii) project rating; (iii) thematic and operational priorities; (iv) rating on covenants; and (v) major issues and problems.

26. Based on the project/program reporting, the countries will consolidate the reports in a comprehensive implementation progress report to the CTF Trust Fund Committee. The progress report will have to demonstrate how countries are performing in terms of established goals and objectives. The CIF AU will consolidate the reports of the countries and provide feedback to the Trust Fund Committee within the CIF Annual Report, Semi-Annual reports on CTF Operations, and occasionally in thematic results reports. Such an approach will ensure that the CTF Trust Fund Committee receives updates on the status of the implementation and achievement of results by investment plan at the CIF programmatic level on a regular basis.

27. **LEARNING** - Annual reports to the CTF Trust Fund Committee concerning the development of establishing M&E systems are needed. Hence, the MDBs are strongly advised to document the process of setting up the CTF M&E system in a pilot country and share these country-specific reports with the CIF AU. In addition, MDBs are requested to assist their government counterparts to prepare and share lessons concerning M&E in annual CTF country meetings.

Monitoring and Evaluation in the Investment Plans

1. The investment plans (IP) should outline the M&E approach. It is expected that the M&E section in the IP comprises: (i) a results framework to monitor progress and to provide the basis for evaluating the implementation of the IP; (ii) a brief description of the institutional arrangements with assigning roles and responsibilities; and (iii) outlining the resource requirements to establish and manage the M&E approach. The following approach for preparing the M&E section is suggested:

A. Preparation of the results framework

2. The results framework is the more important element of the M&E section. It is key to develop a country/IP specific results framework to ensure that the country's own climate resilient development approach can be monitored and henceforth managed.

3. The following steps are recommended:

Step 1: Discuss the need for a FIP logic model and results framework with the pilot country

Step 2: Develop a country-specific FIP results framework and agree on indicators

Step 3: Establish baselines and targets for the results indicators

B. Institutional and organizational arrangements for IP M&E

4. Clear assignments of roles and responsibilities are required to establish an efficient and effective M&E system. Reporting requirements and responsibility need to be mapped out. For the FIP, it is key to identify an organization which takes the lead M&E of the IP. This can be either a lead ministry, a specialized government agency, a think tank or any other institutional or organizational setting the pilot country would like to consider.

Step 1: Analyze the existing (or non-existing national) M&E system for climate and forest related activities

Step 2: Assess the adequacy of the existing M&E in meeting the requirements in A (preparation of the results framework)

Step 3: Identify gaps and propose measures to address the gaps

Step 4: Propose and agree on the institutional arrangements and responsibility for M&E of IP investments/activities

C. Resource requirements

5. Pilot countries need to identify areas where they may need support in setting up the M&E system. Needs may include technical support, hard and software, and capacity development. It would be very useful to quantify the needs and identify the approach to access these resources. Annex 2 provides an overview of the CIF modalities to cover expenses incurred by the pilot countries and the MDBs.

Financing Mechanisms

A. Preparation of Country-level CTF M&E Results Frameworks for Inclusion in Investment Plans

Cost Category	Financing Mechanisms
Country costs incurred in completing activities set out in para.12 in the main text.	TA grants to partner countries for IP preparation.
MDB costs for supporting above country-led preparation activities.	CIF administrative budget resources for MDB support to country-led programming of CTF resources.

B. Preparation of M&E Components in Individual Projects/Programs:

Cost Category	Financing Mechanisms
Country costs for detailed development of CTF M&E components in individual projects/programs contained in the IP. This includes (i) preparation of a capacity building project (or project component) designed to support integration of the CTF M&E results framework (developed under (a) above) in the national M&E system, and (ii) preparation of project/program level CTF results frameworks/logic models in all IP projects/programs.	TA grants to partner countries for project preparation.
MDB costs for supporting above country-led preparation activities.	Costs proposed to be covered by payments for MDB Project Implementation Services (MPIS) related to CTF project grants, similar to procedures already established under SCF's targeted programs (proposed CTF arrangements to be submitted to the CTF TFC for its review and approval).

C. Implementation of M&E Components in Individual Projects/Programs

Cost Category	Financing Mechanisms
Country costs for implementing M&E activities defined in project/program level M&E components	CTF project grants to partner countries – in cases where IPs are already completed and are being implemented, such CTF grants would be additional to CTF funding already endorsed for the IP.
MDB costs for supporting and supervising country-led implementation of CTF M&E components at project/program level.	As per provisions set out under B above.

FIP MONITORING AND EVALUATION
DRAFT Preliminary Guidance Note for FIP Country Teams

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FIP MONITORING AND EVALUATION

DRAFT Preliminary Guidance Note for FIP Country Teams

I. INTRODUCTION

1. A results framework for the FIP has been approved by the FIP Sub-Committee in June 2011. MDB task teams need to work with FIP pilot countries to implement the results frameworks as soon as possible to build the foundation for results reporting.
2. Implementation comprises: working with pilot countries to integrate M&E activities in the preparation and implementation of FIP financed (i) country and regional investment plans; and (ii) related projects/programs involving public and private sector operations. The M&E system needs to reflect the interdependencies among these two levels. There is an urgent need to establish a comprehensive M&E system to ensure that projects/programs under the investment plan (IP) are indeed anchored within the overall strategic approach.
3. To provide a common framework for this undertaking, this note summarizes the (i) objective and institutional arrangement; (ii) Country level FIP Monitoring and Evaluation; (iii) Project/Program level FIP Monitoring and Evaluation; and (iv) reporting.

II. OBJECTIVE AND INSTITUTIONAL ARRANGEMENTS

4. The FIP promotes transformational change by strengthening multi-stakeholder ownership at national and local levels, and providing scaled-up REDD+ financing to catalyze shifts from business-as-usual policies and development paths. It is a learning tool to initiate and facilitate transformational change in developing country forest related policies and practices. At the implementation level, it is a vehicle to pilot and scale up replicable models of effective forest and forest landscape management efforts. FIP is designed to help finance large-scale investments and leverage additional financial resources, including from the private sector and other development partners. The objective of FIP M&E activities, therefore, is to help to strengthen national M&E systems to monitor and evaluate the impact of activities aimed to address forest degradation, deforestation and enhancement of forest carbon stocks. The M&E system will support countries to monitor implementation of projects and programs supported through FIP and take corrective action/decisions based on information generated through the M&E system. The results frameworks are designed to operate: (i) within existing national monitoring and evaluation systems; and (ii) the MDBs' own managing for development results (MfDR) approach.
5. By integrating the FIP M&E results frameworks into national M&E systems, countries will take the lead and establish a managing for results philosophy that will help enhance the design and impact of their REDD+ investments. They also gain the opportunity to share experiences and lessons with others, thereby helping to accelerate the CIF's "learning-by-doing" process in support of the replication of good practices for managing and sustaining climate change transformation at the country level.
6. There are three key elements of the FIP M&E approach that need to be followed by FIP financed projects:

a) Planning

- FIP project/program planning should use a flexible planning approach, with results cascading from the country level to projects and indicator reporting from projects/programs aggregated at the country level.
- There should be a logic model in the investment plan that sets the strategic direction and identifies the results that identified priority projects/programs must contribute to.
- Investment plans should articulate the issues, priorities for investments, challenges, and risks to be addressed in a country context.
- Catalytic results – beyond the immediate output of projects/programs under the FIP – should also be clearly identified and the reporting approach outlined in the investment plan.
- Project and program documents should describe the expected results of individual interventions, linked to the overall results framework for the pilot country.
- Project and program documents should include results frameworks, indicators, baselines, and targets and the methodology how the data will be produced. These documents should be shared with the CIF Administrative Unit.

b) Monitoring and Reporting

- FIP financed projects and programs are implemented using MDB processes, procedures and systems. However, there is a set of indicators for the FIP that must be included in projects/programs.
- Countries supported by the MDBs are mainly responsible for collecting and reporting data on all these key indicators. The government will identify and charge an executing agency with reporting responsibility.
- Project outputs and outcomes are expected to be monitored and reported on a regular basis using the key indicators. Reporting is expected at the start when establishing the baselines, at mid-term and upon completion. Annual reporting is desirable whenever feasible.
- Countries are the main reporting units of the FIP. Reporting against the implementation of the investments plans/strategies is at the core of the FIP M&E system. The government will identify and charge an executing agency with reporting responsibility.
- A programmatic approach at the country level requires that country institutions take the lead in consolidating data from projects/programs at the country level and report these to the FIP Sub-Committee through the CIF Administrative Unit. Countries need to nominate an institutional focal point for M&E – taking the responsibility to manage the FIP M&E efforts, particularly the reporting to the FIP Sub-Committee.

c) Learning and Knowledge Management⁵

- CIF knowledge management activities are closely linked to CIF's work on monitoring and reporting.
- FIP projects will need to include knowledge management activities involving identifying, creating, organizing, sharing and using lessons learned, and good practices in FIP pilot country programs and projects.
- CIF's knowledge management activities have themselves to be targeted towards a set of KM results that must be monitored and reported on.

⁵ Detailed guidance on information sharing and lessons-sharing activities (ISL) is available in *Integrating Information Sharing and Lessons-Learning CIF Country Programs and Projects – A Guidance Note for MDB Task Teams*, shared with the MDBs on March 14, 2011.

7. With the approval of the results frameworks as living documents, the joint CTF/SCF Trust Fund Committee and the FIP Sub-Committee established the basis for an adaptive M&E approach. The data generated through the M&E system should allow countries to take corrective action based on information/evidence. The adaptive management approach requires a constant and sustained feedback mechanism which allows countries to reflect on measures, approaches, methodologies etc. and initiate change when data or observations point towards the need to adapt to changing circumstances.

8. A robust M&E system requires appropriate institutional arrangements for assigning functions and responsibilities for managing the integration of M&E systems. The institutional setting will be determined as part of the preparation of the individual investments. They will be a consequence of the nature of proposed M&E priorities, existing institutional structures and arrangements, and the fact that the M&E system development needs to be managed at the government level (see Table1).

9. Capacity development needs to be a key element in all efforts to strengthen a results-oriented management approach of individual projects/programs but also the management of investment plans as a whole. Hence, the identification of capacity needs is essential for successful strategic management of FIP operations in pilot countries.

10. The capacity of country institutions to carry out above and other M&E activities would, as required, be strengthened through

- *upgrading of existing, or acquisition of new, equipment and services to effectively link local teams to web-based performance measurement systems;*
- *capacity development on the use of appropriate methodologies to measure results;*
- *using local consultant services (when feasible) to establish baselines and upgrade M&E systems;*
- *using local [staff] and/or consultants (when feasible) to manage the country/project sites for generating and reporting performance data;*
- *using local [staff] and/or consultants (when feasible) to capture and document experiences and lessons in developing and implementing strategic country programs and their investment projects (including possible out-sourcing to local organizations and academic institutions);*
- *contracting for the organization, holding, and documenting outcomes of M&E activities through workshops with local stakeholders; and*
- *facilitating the participation [travel, accommodation] of local team members in CIF pilot/partner country meetings and other relevant external knowledge sharing events.*

Table 1: Possible Institutional Arrangements for Managing for Results

Responsibility	Function
<i>Unit or agency within the pilot country with enhanced M&E capacity (lead for development and implementation of the strategic country program)⁶</i>	<ul style="list-style-type: none"> - <i>Coordinate the integration of the FIP results framework into the national M&E system and ensure that M&E arrangements are reflected in the investment plan document submitted for FIP Sub-Committee review and approval.</i> - <i>Monitor and assess the catalytic replication indicators.</i> - <i>Manage the assessment of current M&E capacity and gap analysis in terms of baselines, targets, technology (IT support) and HR capacity.</i> - <i>Manage the progress reporting in implementing the IPs.</i>

⁶ In the case of a regional project, it would be appropriate for the entity selected for managing the regional component of the project to assume the coordinating function for ISL activities.

Responsibility	Function
	<ul style="list-style-type: none"> - Prepare progress reports on IP implementation to the Trust Fund Committees/Sub-Committees annually. - Monitor project/program implementation and request regular project performance updates in line with agreed procedures from the relevant government agencies and MDBs.
<i>Sector ministries/private sector arms of the MDBs on behalf of private sector entities</i>	<ul style="list-style-type: none"> - Manage the M&E systems at the project/program level and ensure regular progress reporting to (i) the central coordinating unit; and (ii) communicate with all relevant stakeholders. - Private sector entities report through the respective MDBs managing the relationship as the legal and implementation agreement is between the private client and the MDB only. The private sector MDB will include the FIP core M&E indicators as well as relevant project-specific indicators to its standard institutional reporting requirements and communicate these to the unit or agency leading the FIP M&E approach in the pilot country
<i>Implementation units (public/private sector) for individual FIP funded projects</i>	<ul style="list-style-type: none"> - Manage the establishment of M&E systems for each individual project/program. - As agreed with the central program coordination unit report on progress on outputs and outcomes indicators on a regular basis.

III. COUNTRY LEVEL FIP MONITORING AND EVALUATION

a) Setting up the FIP M&E system at the country / regional level

11. Countries which are in the process to develop their investment plans should discuss and present the envisaged M&E approach in the investment plan. It is expected that the M&E section in the IP comprises: (i) a results framework to monitor progress and evaluate the implementation of the IP; (ii) a brief description of the institutional arrangements with assigning roles and responsibilities; and (iii) outlining the resource requirements to establish and manage the M&E approach.⁷ Annex 1 outlines in more details how the M&E section in the IP could be developed and specific aspects of M&E this section in the IP might highlight. Countries which have already approved investment plans will need to re-engage, if necessary, with the MDBs to discuss the M&E approach.⁸

12. The following detailed steps for the country level M&E approach are suggested:

Step	Activity	Expected output	Lead	Support
1	<i>access technical data and methodologies, information, and lessons learned from other managing for development results (MfDR) initiatives. A stock-taking exercise is needed to explore whether other initiatives are already promoting enhanced M&E system development. The FIP might build on or complement these</i>	Synergies with other managing for development results initiatives	MDB	Government/regional institutions (if applicable)

⁷ Baselines and targets are very important to establish a sound basis for an effective M&E approach. It can be expected that for some indicators it might be rather difficult to establish baselines or targets at the time of IP formulation. However, it is important to outline briefly in the M&E section how the country is going about establishing targets and baselines for indicators which do not have these at the time when the IP is presented to the FIP Sub-Committee.

⁸ As of September 2011, there is one country with an endorsed investment plan: Democratic Republic of Congo (DRC). Burkina Faso received an endorsement in principle but will need to resubmit a revised investment plan.

Step	Activity	Expected output	Lead	Support
	ongoing initiatives.			
2	<i>identify technical, system and capacity gaps</i> for M&E in climate change. It is expected that this analysis will provide a better idea about the nature of interventions needed to establish the regional/country M&E system. This step should also include a cost estimate for establishing the M&E system.	Gap analysis – better understanding of the needs	MDB	Government/ regional institutions (if applicable)
3	<i>discuss the institutional and organizational setting for the M&E system.</i> It is expected that investment plans include a paragraph about the envisaged M&E approach. This section should discuss and provide which agency/ organization is taking the lead in managing FIP M&E.	Clear institutional and organizational structure for FIP M&E at the country level	Government/ regional institutions (if applicable)	MDB
4	<i>assess baselines and establish targets</i> for catalytic and replication results at the country level. The investment plans should include a results framework with country specific indicators. Ideally the results framework incorporates the suggested FIP key indicators with baselines and targets. At least, the investment plan should outline an approach how to establish baselines for relevant indicators.	Results framework at the investment plan level with baselines and targets	MDB	Government/ regional institutions (if applicable)
5	<i>share lessons with other pilot countries in assessing and establishing M&E systems.</i> Pilot countries should document the process of establishing FIP M&E systems and share these lessons with stakeholders within and outside the FIP pilot countries.	Learning from experiences	Government/ regional institutions (if applicable)	MDB

b) FIP indicators at the country level

13. Baselines and targets at the national level need to be established to the extent possible for the following approved FIP key indicators:

Results	Indicators	Data source
Core objective: A.1 Reduced GHG emissions from deforestation and degradation; enhancement of forest carbon stocks	a) Tons (millions) of CO ₂ emissions from reduced deforestation and forest degradation relative to reference emissions level b) Tons (millions) of CO ₂ sequestered through natural regeneration, re- and afforestation activities, and conservation relative to forest reference level	National monitoring systems following relevant UNFCCC/ IPCC guidelines

Results	Indicators	Data source
Co-benefit objective: A.2 Reduced poverty through improved quality of life of forest dependent indigenous peoples and forest communities⁹	a) Percentage of indigenous peoples and local community members/ forest communities (women and men) with legally recognized tenure rights and secure access to economic benefits and/or the means of maintaining traditional livelihoods b) Changes in income in forest communities over time c) Percentage of enrollment of boys and girls in primary and secondary education in areas with indigenous community members/ forest communities (MDG 2 a) <i>Other quality of life indicators may be identified and validated through a consultative process with indigenous peoples and local communities.</i>	National monitoring systems or equivalent
Co-benefit objective: A.3 Reduced biodiversity loss and increased resilience of forest ecosystems to climate variability and change	a) Percentage (%) change in forest fragmentation (rate and area) b) Reduction in the rate of loss of intact forest areas important for maintaining native biodiversity, ecosystem functions, including water, air quality, soil protection and resilience to climate stress c) Species richness index ¹⁰ and Shannon-Weiner or Information Index	National monitoring systems or equivalents Country reporting to UNCBD
FIP Catalytic Replication Outcomes		
B.1 Reduced deforestation and forest degradation	a) Change in hectares of natural forest cover (percentage change against baseline) b) Change in hectares of natural forest that are degraded (percentage change against baseline) c) tCO ₂ sequestered/\$ by investment plan d) Areas (ha) of deforestation/degradation avoided/\$ of investments	National or sub-national monitoring systems
B.2 Increased direct management of forest resources by local communities and indigenous peoples	Increase in land and resources under legal control and management of indigenous peoples and local communities including through traditional forest management systems	National M&E

⁹ Indicators related to indigenous peoples and forest communities may need to be refined after feedback from indigenous peoples groups and forest communities has been received. Proposed changes, if any, will be presented to the FIP Sub-Committee in June 2011.

¹⁰ For measuring biodiversity with the Species Richness Index or the Shannon-Weiner Index see <http://www.denniskalma.com/biodiversitymeasurement.html>. The Shannon-Weiner and the Information Index have limitations. In some cases, other indexes, such as the Fischer Diversity Index or the rarefaction method, might be more appropriate. The choice of index to measure biodiversity may depend on the type of the species-abundance distribution curve, which varies according to the phase of succession of the forest to be assessed (inverted-J for mature forests, log-normal in early stages of succession, etc.). A final decision on FIP-wide indicator will be made after investment plans have been developed and countries decided on the adequate national indicator to track changes in biodiversity.

Results	Indicators	Data source
B.3 Improved enabling environment for REDD+ and sustainable management of forests	<p>a) Change in the extent to which environmental/GHG/ deforestation considerations/ solutions are integrated into the process of creating economic incentives/new policies and programs</p> <p>b) Area of forests under clear, non-discriminative tenure and territorial rights , including the recognition of traditional rights</p> <p>c) Evidence that infractions in the forest sector are detected, reported and penalized</p> <p>d) Extent to which indigenous peoples and local communities (women and men) have access to relevant information in a timely and culturally appropriate manner</p> <p><i>Other “Nationally owned-governance” indicators, developed through a country-led process.</i></p>	National M&E systems
B.4 Access to predictable and adequate financial resources, incl. results-based incentives for REDD+ and sustainable management of forests	Leverage funds through results-based schemes offered by bilateral partnerships, the FCPF Carbon Fund or other mechanisms	National M&E systems
<u>Regional level:</u> B.5 Replication of FIP learning in non-FIP countries	<p>Number of non-FIP countries which replicate FIP project and program approaches (e.g., investment documents citing FIP pilot country projects)</p> <p><i>Indicators related to the KM component of the dedicated Grant Mechanism for indigenous peoples and local communities</i></p>	<p>MDB cross-country review</p> <p>Review of national UNFCCC reporting relevant to REDD+</p>

c) FIP financing for establishing FIP M&E systems at the country level

14. The amount of FIP project grant funding sought for integrating the FIP results frameworks into national M&E systems will depend in each case on (i) the quality of existing M&E system and related institutional capacity, (ii) the extent to which ongoing activities are already in place to satisfactorily allow impact monitoring and evaluation (e.g., national M&E systems for monitoring and evaluating climate change action plans); and (iii) the availability of non-FIP sources of funding for this purpose (e.g., MfDR activities of bilateral or multilateral donors). Hence, there is no fixed limit to FIP funding. Countries and MDBs will incur additional costs in developing FIP-related national M&E systems. Funding arrangements are outlined in annex 2.

IV. PROJECT/PROGRAM LEVEL FIP MONITORING AND EVALUATION

a) Setting up the FIP M&E systems at the project/program level

15. Project/program level FIP M&E needs to ensure a close link with the expected results at the country level. The project/program design document needs to outline clearly the envisaged results chain.

16. The following steps are suggested to establish the M&E system for FIP financed projects/programs:

Step	Activity	Expected output	Lead	Support
1	<i>discuss the logic model with stakeholders</i> The logic model discussion is important to ensure that there is a clear understanding how the envisaged project is fitting into the country's approach in initiating transformational change and climate resilient development.	Results chain: project/program outputs – country outcomes - impact	MDB	Government / implementing entity/ agency
2	<i>discuss the results framework with respective project/ program implementing entity</i> . This process will help to identify the relevant indicators. Not all proposed indicators in the results frameworks will be relevant for all the projects/programs.	Agreement on the core indicators for tracking project/program progress	MDB	Implementing entity/ agency
3	<i>discuss the institutional and organizational setting for the M&E system.</i> It is expected that investment plans include a paragraph about the envisaged M&E approach. This section should discuss and provide which agency/ organization is taking the lead in managing FIP M&E.	Clear institutional and organizational structure for project/program M&E responsibility	MDB	Implementing entity/ agency
4	<i>assess baselines and establish targets</i> for the relevant indicators. A cost estimate for assessing baselines is needed at this stage.	Results framework at the project/program level with baselines and targets	MDB	Implementing entity/agency
5	<i>Develop a detailed M&E plan</i> for the implementation of the project/program and submit M&E plan for MDB Committee approval	M&E Plan	Implementing entity/agency	MDB
6	<i>Share lessons with other projects/programs in assessing and establishing M&E systems.</i> Implementing entity/agency should document the process of establishing FIP M&E systems and share these lessons with stakeholders within and outside the pilot country.	Learning from experiences	Implementing entity/agency	MDB

b) FIP indicators at the project/program level

17. FIP financing is foreseen mainly for (i) investments which build institutional capacity, forest governance and information; (ii) investments in forest mitigation efforts, including forest ecosystem services; (iii) investments outside the forest sector necessary to reduce the pressure on forests. Hence, the project/program results frameworks need to reflect the key indicators for each of these areas.

18. The FIP results framework is designed to provide a flexible framework to allow for (i) country-driven, country-context specific projects/programs with a rather broad set of interventions in forest ecosystems; and (ii) working within the MDBs own managing for results approach. This means that the concept of mandatory indicators needs to be applied practically. Not all projects need to reflect all the indicators. For instance, capacity building projects focus on institutional capacity development relevant indicators, forest mitigation efforts on deforestation and degradation relevant indicators. Nevertheless, the indicators on leveraging additional resources and on knowledge management and learning should be part

of every single project/program – irrespective of the specific area of intervention.

19. **Projects/programs in mitigation efforts** may include the following indicators with baselines and targets (if feasible) in the project/program M&E frameworks:

Results	Indicators	Data source
C.1 Reduced pressure on forest ecosystems	a) Change in hectares (ha) deforested in project/program area b) Change in hectares (ha) of forests degraded in project/program area c) tCO ₂ sequestered/\$ by project/program d) Non-forest sector investments identified to address drivers of deforestation and forest degradation	National monitoring systems Project M&E
C.2 Sustainable management of forests and forest landscapes to address drivers of deforestation and forest degradation	a) Preservation of natural forests integrated in land use planning process b) Evidence that laws and regulations in project/program are being implemented, monitored and enforced and that violations are detected, reported and prosecuted	National monitoring systems Project M&E
C.6 New and additional resources for forest and forest-related projects	Leverage factor of FIP funding; \$ financing from other sources (contributions broken down by governments, MDBs, other multilateral and bilateral partners, CSOs, private sector)	Project M&E
C.7 Integration of learning by development actors active in REDD+	Number (#) and type of knowledge assets (e.g., publications, studies, knowledge sharing platforms, learning briefs, communities of practice, etc.) created and shared	Qualitative assessment by the MDBs and CIF AU

20. **Institutional capacity development and empowerment projects/programs** may include the following indicators with baselines and targets (if feasible) in the project/program M&E frameworks:

Results	Indicators	Data source
C.4 Empowered local communities and indigenous peoples and protection of their rights	a) Increase in area with clear, recognized tenure of land and resources for indigenous peoples and local communities (women and men) b) Level and quality of community and indigenous peoples participation (women and men) in decision making and monitoring concerning land use planning, forest management, and projects and policies impacting community areas c) Improved access to effective justice/ recourse mechanisms	Project M&E
C.5 Increased capacity to address direct and underlying drivers of deforestation and forest degradation (as identified	<i>Detailed indicators will be developed in the specific country and project/program context</i>	National monitoring systems Project M&E

Results	Indicators	Data source
in national REDD+ strategies or equivalents)		
C.6 New and additional resources for forest and forest-related projects	Leverage factor of FIP funding; \$ financing from other sources (contributions broken down by governments, MDBs, other multilateral and bilateral partners, CSOs, private sector)	Project M&E
C.7 Integration of learning by development actors active in REDD+	Number (#) and type of knowledge assets (e.g., publications, studies, knowledge sharing platforms, learning briefs, communities of practice, etc.) created and shared	Qualitative assessment by the MDBs and CIF AU

21. **Forest governance projects/programs** may include the following indicators with baselines and targets (if feasible) in the project/program M&E frameworks:

Results	Indicators	Data source
C.3 An institutional and legal/ regulatory framework that supports sustainable management of forests and protects the rights of local communities and indigenous peoples	<p>a) Evidence that the legal framework (laws, regulations, guidelines) and implementation practices provide for non-discriminative land tenure rights and land use systems and protect the rights of indigenous peoples and local communities (women and men)</p> <p>b) Evidence that a national land use plan exists and progress is made to secure the tenure and territorial rights to land and resources of forest-dependant stakeholders , including indigenous peoples and forest communities</p> <p><i>Detailed indicators will be developed in the specific country and project/program context.</i></p>	Project M&E
C.6 New and additional resources for forest and forest-related projects	Leverage factor of FIP funding; \$ financing from other sources (contributions broken down by governments, MDBs, other multilateral and bilateral partners, CSOs, private sector)	Project M&E
C.7 Integration of learning by development actors active in REDD+	Number (#) and type of knowledge assets (e.g., publications, studies, knowledge sharing platforms, learning briefs, communities of practice, etc.) created and shared	Qualitative assessment by the MDBs and CIF AU

22. There might be other sectors or thematic areas which will be added when all investment plans have been developed and endorsed.

c) FIP financing for establishing FIP M&E systems at the project/program level

23. Funding requirements for establishing FIP M&E systems for each project/program will depend on the country- context (e.g., existing capacity at the project level); and (ii) the nature of the individual project/program. Countries and MDBs will incur additional costs in developing project/program specific M&E systems. Funding arrangements are outlined in annex 2.

V. REPORTING

24. **CORE INDICATORS** - The logic model and the results framework are designed to provide a basis for long-term reporting and eventually evaluation efforts. Therefore, it is important to establish comprehensive M&E systems within a pilot country based on the FIP results framework. However, for medium-term progress reporting to the FIP Sub-Committee there is a need for focusing on a limited set of core indicators. These core indicators provide the basis for a more standardized approach across the pilot countries and regional pilots. It is expected that the country teams discuss these core indicators with all the pilot countries and regional programs (if applicable) and establish baselines and targets for these core indicators within the next three months. The FIP Sub-Committee expects that core indicators are in place for all the programs by November 2011, so that reporting against these indicators can start in 2012.

25. The following core indicators are suggested for FIP medium-term reporting:

Indicator	Baseline	Target
Investment Plan level		
Change in hectares of forest cover (by forest cover type) (percentage change over baseline) and resulting GHG emissions (tons of CO ₂)		
Change in hectares of forests (by forest cover type) that are degraded (percentage change against baseline) and resulting GHG emissions (tons of CO ₂)		
Leverage factor of FIP funding: \$ financing from other sources (contributions broken down by governments, MDBs, other multilateral and bilateral partners, CSOs, private sector)		
Project/program level		
Change in hectares (ha) of forest cover in project/program area		
Change in hectares (ha) of forest degraded in project/program area		
Change in percent in forest fragmentation in project/program area		
Percentage of forest communities in project/program areas with legally recognized land tenure rights		
Changes in income of forest communities in project/program areas		
Change in percentage of vulnerable households (living at the edge of forest areas at risk) enabled to use forest products in a sustainable manner		
Change in percentage of vulnerable households (living at the edge of forest areas at risk) enabled to adopt alternative livelihoods (i.e., outside the use of forest products)		

26. It is suggested that country teams review carefully the above indicators and report only against the indicators for the sectors which the IP is going to address. Other sector core indicators can be ignored. Such an approach will allow the MDBs and the CIF AU to cover the whole range of IP operations.

27. These core indicators need to be complemented with data concerning the portfolio development. There is no need for any additional analysis or data mining, project portfolio performance data should be extracted from the MDBs' own project portfolio review system. Basic essential information on the projects/programs including: (i) financial information (commitments, expenditures, contract awards, etc.); (ii) project rating; (iii) thematic and operational priorities; (iv) rating on covenants; and (v) major issues and problems.

28. Based on the project/program reporting, the countries will consolidate the reports in a comprehensive implementation progress report to the FIP Sub-Committee. The progress report will have to demonstrate how countries are performing in terms of established goals and objectives. The CIF AU will consolidate the reports of the countries and provide feedback to the Sub-Committee within the CIF

Annual Report, Semi-Annual reports on FIP Operations, and occasionally in thematic results reports. Such an approach will ensure that the FIP Sub-Committee receives updates on the status of the implementation and achievement of results by investment plan at the CIF programmatic level on a regular basis.

29. **LEARNING** - Annual reports to the FIP Sub-Committee concerning the development of establishing M&E systems are needed. Hence, the MDBs are strongly advised to document the process of setting up the FIP M&E system in a pilot country and share these country-specific reports with the CIF AU. In addition, MDBs are requested to assist their government counterparts to prepare and share lessons concerning M&E in annual FIP pilot country meetings.

Monitoring and Evaluation in the Investment Plans

1. The investment plans (IP) should outline the M&E approach. It is expected that the M&E section in the IP comprises: (i) a results framework to monitor progress and to provide the basis for evaluating the implementation of the IP; (ii) a brief description of the institutional arrangements with assigning roles and responsibilities; and (iii) outlining the resource requirements to establish and manage the M&E approach. The following approach for preparing the M&E section is suggested:

A. Preparation of the results framework

2. The results framework is the more important element of the M&E section. It is key to develop a country/IP specific results framework to ensure that the country's own climate resilient development approach can be monitored and henceforth managed.

3. The following steps are recommended:

Step 1: Discuss the need for a FIP logic model and results framework with the pilot country

Step 2: Develop a country-specific FIP results framework and agree on indicators

Step 3: Establish baselines and targets for the results indicators

B. Institutional and organizational arrangements for IP M&E

4. Clear assignments of roles and responsibilities are required to establish an efficient and effective M&E system. Reporting requirements and responsibility need to be mapped out. For the FIP, it is key to identify an organization which takes the lead M&E of the IP. This can be either a lead ministry, a specialized government agency, a think tank or any other institutional or organizational setting the pilot country would like to consider.

Step 1: Analyze the existing (or non-existing national) M&E system for climate and forest related activities

Step 2: Assess the adequacy of the existing M&E in meeting the requirements in A (preparation of the results framework)

Step 3: Identify gaps and propose measures to address the gaps

Step 4: Propose and agree on the institutional arrangements and responsibility for M&E of IP investments/activities

C. Resource requirements

5. Pilot countries need to identify areas where they may need support in setting up the M&E system. Needs may include technical support, hard and software, and capacity development. It would be very useful to quantify the needs and identify the approach to access these resources. Annex 2 provides an overview of the CIF modalities to cover expenses incurred by the pilot countries and the MDBs.

Financing Mechanisms

A. Preparation of Country-level FIP M&E Results Frameworks for Inclusion in Investment Plans

Cost Category	Financing Mechanisms
<i>Country costs</i> incurred in completing activities set out in para.12 in the main text.	TA grants to pilot countries for IP preparation.
<i>MDB costs</i> for supporting above country-led preparation activities.	CIF administrative budget resources for MDB support to country-led programming of FIP resources.

B. Preparation of M&E Components in Individual Projects/Programs:

Cost Category	Financing Mechanisms
<i>Country costs</i> for detailed development of FIP M&E components in individual projects/programs contained in the IP. This includes (i) preparation of a capacity building project (or project component) designed to support integration of the FIP M&E results framework (developed under (a) above) in the national M&E system, and (ii) preparation of project/program level FIP results frameworks/logic models in all IP projects/programs.	TA grants to pilot countries for project preparation.
<i>MDB costs</i> for supporting above country-led preparation activities.	Covered under arrangements approved by the SDF TFC on June 23, 2011 (ref. SCF/TFC.7/6, <i>MDB Project Implementation Services under SCF's Targeted Programs: Sources of Funding and Implementation Arrangements</i>) - First payment (50% of the initial estimate of MPIS costs) to be made to MDBs at time of IP endorsement; the second payment (final estimate of MPIS costs less first payment) would be transferred at time of SC approval of proposed project. Payments for MPIS are to be funded out of the reserve funds that have been set aside by the FIP Sub-Committee in its decision on the allocation of funds pledged to the targeted program.

C. Implementation of M&E Components in Individual Projects/Programs

Cost Category	Financing Mechanisms
<i>Country costs</i> for implementing M&E activities defined in project/program level M&E components	FIP project grants to pilot countries
<i>MDB costs</i> for supporting and supervising	Covered under the provisions approved by the

Cost Category	Financing Mechanisms
country-led implementation of FIP M&E components at project/program level	SCF TFC for Payments for MDB Project Implementation Services (MPIS) – see above.

SREP MONITORING AND EVALUATION
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SREP MONITORING AND EVALUATION

DRAFT Preliminary Guidance Note for SREP Country Teams

I. INTRODUCTION

1. A results framework for the SREP has been approved by the Joint CTF/SCF Trust Fund Committee in November 2010. MDB task teams need to work with SREP pilot countries to implement the results frameworks as soon as possible to build the foundation for results reporting.
2. Implementation comprises: working with pilot countries to integrate M&E activities in the preparation and implementation of SREP financed (i) country and regional investment frameworks¹¹; and (ii) related projects/programs involving public and private sector operations. The M&E system needs to reflect the interdependencies among these two levels. There is an urgent need to establish a comprehensive M&E system to ensure that projects/programs under the investment plan (IP) are indeed anchored within the overall strategic approach.
3. To provide a common framework for this undertaking, this note summarizes the (i) objective and institutional arrangement; (ii) Country level SREP Monitoring and Evaluation; (iii) Project/Program level SREP Monitoring and Evaluation; and (iv) reporting.

II. OBJECTIVE AND INSTITUTIONAL ARRANGEMENTS

4. The SREP aims to demonstrate in a small number of low income countries how to initiate energy sector transformation by helping them take renewable energy solutions to a national programmatic level. SREP offers a unique two-pronged approach. It is designed to support developing countries in their effort to expand energy access and stimulate economic growth through the scaled-up deployment of renewable energy solutions; and it provides a trigger for transformation of the renewable energy market in each target country through a programmatic approach that involves government support for market creation, private sector implementation, and productive energy use. The objective of SREP M&E activities, therefore, is to help to strengthen national M&E systems to monitor and evaluate the impact of activities aimed to support low carbon development in low income countries. The M&E system will support countries to monitor implementation of projects and programs and take corrective action/decisions based on information generated through the M&E system. The results frameworks are designed to operate: (i) within existing national monitoring and evaluation systems; and (ii) the MDBs' own managing for development results (MfDR) approach.
5. By integrating the SREP M&E results frameworks into national M&E systems, countries will take the lead and establish a managing for results philosophy that will help enhance the design and impact of their investments. They also gain the opportunity to share experiences and lessons with others, thereby helping to accelerate the CIF's "learning-by-doing" process in support of the replication of good practices for managing and sustaining climate change transformation at the country level.
6. There are three key elements of the SREP M&E approach that need to be followed by SREP financed projects:

¹¹ The term "strategic country program" refers to Investment Plan under CTF, Strategic Program for Climate Resilience (SPCR) under PPCR, Investment Plan under FIP, and Financing Plan under SREP.

a) Planning

- SREP project/program planning should use a flexible planning approach, with results cascading from the country level to projects and indicator reporting from projects/programs aggregated at the country level.
- There should be a logic model in the investment plan that sets the strategic direction and identifies the results that identified priority projects/programs must contribute to.
- Investment plans should articulate the issues, priorities for investments, challenges, and risks to be addressed in a country context.
- Catalytic results – beyond the immediate output of projects/programs under the SREP – should also be clearly identified and the reporting approach outlined in the investment plan.
- Project and program documents should describe the expected results of individual interventions, linked to the overall results framework for the pilot country.
- Project and program documents should include results frameworks, indicators, baselines, and targets and the methodology how the data will be produced. These documents should be shared with the CIF Administrative Unit.

b) Monitoring and Reporting

- SREP financed projects and programs are implemented using MDB processes, procedures and systems. However, there is a set of indicators for the SREP that must be included in projects/programs.
- Countries supported by the MDBs are mainly responsible for collecting and reporting data on all these key indicators. The government will identify and charge an executing agency with reporting responsibility.
- Project outputs and outcomes are expected to be monitored and reported on a regular basis using the key indicators. Reporting is expected at the start when establishing the baselines, at mid-term and upon completion. Annual reporting is desirable whenever feasible.
- Countries are the main reporting units of the SREP. Reporting against the implementation of the investments plans/strategies is at the core of the SREP M&E system. The government will identify and charge an executing agency with reporting responsibility.
- A programmatic approach at the country level requires that country institutions take the lead in consolidating data from projects/programs at the country level and report these to the SREP Sub-Committee through the CIF Administrative Unit. Countries need to nominate an institutional focal point for M&E – taking the responsibility to manage the SREP M&E efforts, particularly the reporting to the SREP Sub-Committee.

c) Learning and Knowledge Management¹²

- CIF knowledge management activities are closely linked to CIF's work on monitoring and reporting.
- SREP projects will need to include knowledge management activities involving identifying, creating, organizing, sharing and using lessons learned, and good practices in SREP pilot country programs and projects.
- CIF's knowledge management activities have themselves to be targeted towards a set of KM results that must be monitored and reported on.

¹² Detailed guidance on information sharing and lessons-sharing activities (ISL) is available in *Integrating Information Sharing and Lessons-Learning CIF Country Programs and Projects – A Guidance Note for MDB Task Teams*, shared with the MDBs on March 14, 2011.

7. With the approval of the results frameworks as living documents, the joint CTF/SCF Trust Fund Committee and the SREP Sub-Committee established the basis for an adaptive M&E approach. The data generated through the M&E system should allow countries to take corrective action based on information/evidence. The adaptive management approach requires a constant and sustained feedback mechanism which allows countries to reflect on measures, approaches, methodologies etc. and initiate change when data or observations point towards the need to adapt to changing circumstances.

8. A robust M&E system requires appropriate institutional arrangements for assigning functions and responsibilities for managing the integration of M&E systems. The institutional setting will be determined as part of the preparation of the individual investments. They will be a consequence of the nature of proposed M&E priorities, existing institutional structures and arrangements, and the fact that the M&E system development needs to be managed at the government level or through the entity that oversees coordination of the SREP in a country (see Table1).

Table 1: Possible Institutional Arrangements for Managing for Results

<i>Responsibility</i>	<i>Function</i>
<i>Unit or agency within the pilot country with enhanced M&E capacity (lead for development and implementation of the strategic country program)¹³</i>	<ul style="list-style-type: none"> - <i>Coordinate the integration of the SREP results framework into the national M&E system and ensure that M&E arrangements are reflected in the investment plan document submitted for SREP Sub-Committee review and approval.</i> - <i>Monitor or assess the catalytic replication indicators.</i> - <i>Manage the assessment of current M&E capacity and gap analysis in terms of baselines, targets, technology (IT support) and HR capacity.</i> - <i>Manage the progress reporting in implementing the IPs.</i> - <i>Prepare progress reports on IP implementation to the Trust Fund Committees/Sub-Committees annually.</i> - <i>Monitor project/program implementation and request regular project performance updates in line with agreed procedures from the relevant government agencies and MDBs.</i>
<i>Sector ministries/private sector arm of the MDBs on behalf of private sector entities</i>	<ul style="list-style-type: none"> - <i>Manage the M&E systems at the project/program level and ensure regular progress reporting to (i) the central coordinating unit; and (ii) communicate with all relevant stakeholders.</i> - <i>Private sector entities report through the respective MDBs managing the relationship as the legal and implementation agreement is between the private client and the MDB only. The private sector MDB will include the FIP core M&E indicators as well as relevant project-specific indicators to its standard institutional reporting requirements and communicate these to the unit or agency leading the FIP M&E approach in the pilot country</i>
<i>Implementation units (public/private sector – executing agencies, MDBs) for individual SREP funded projects</i>	<ul style="list-style-type: none"> - <i>Manage the establishment of M&E systems for each individual project/program.</i> - <i>As agreed with the central program coordination unit report on progress on outputs and outcomes indicators on a regular basis.</i>

9. Capacity development needs to be a key element in all efforts to strengthen a results-oriented

¹³ In the case of a regional project, it would be appropriate for the entity selected for managing the regional component of the project to assume the coordinating function for ISL activities.

management approach of individual projects/programs but also the management of investment plans as a whole. Hence, the identification of capacity needs is essential for successful strategic management of SREP operations in pilot countries.

10. The capacity of country institutions to carry out above and other M&E activities would, as required, be strengthened through

- *upgrading of existing, or acquisition of new, equipment and services to effectively link local teams to web-based performance measurement systems;*
- *capacity development on the use of appropriate methodologies to measure results;*
- *using local consultant services (when feasible) to establish baselines and upgrade M&E systems;*
- *using local [staff] and/or consultants (when feasible) to manage the country/project sites for generating and reporting performance data;*
- *using local [staff] and/or consultants (when feasible) to capture and document experiences and lessons in developing and implementing strategic country programs and their investment projects (including possible out-sourcing to local organizations and academic institutions);*
- *contracting for the organization, holding, and documenting outcomes of M&E activities through workshops with local stakeholders; and*
- *facilitating the participation [travel, accommodation] of local team members in CIF pilot/partner country meetings and other relevant external knowledge sharing events.*

III. COUNTRY LEVEL SREP MONITORING AND EVALUATION

a) Setting up the SREP M&E system at the country / regional level

11. Countries which are in the process to develop their investment plans should discuss and present the envisaged M&E approach in the investment plan. It is expected that the M&E section in the IP comprises: (i) a results framework to monitor progress and evaluate the implementation of the IP; (ii) a brief description of the institutional arrangements with assigning roles and responsibilities; and (iii) outlining the resource requirements to establish and manage the M&E approach.¹⁴ Annex 1 outlines in more details how the M&E section in the IP could be developed and specific aspects of M&E this section in the IP might highlight. Countries which have already approved investment plans will need to re-engage, if necessary, with the MDBs to discuss the M&E approach.

12. The following detailed steps for the country level M&E approach are suggested:

Step	Activity	Expected output	Lead	Support
1	<i>access technical data and methodologies, information, and lessons learned from other managing for development results (MfDR) initiatives. A stock-taking exercise is needed to explore whether other initiatives are already promoting enhanced M&E system development. The SREP might build on or complement these ongoing initiatives.</i>	Synergies with other managing for development results initiatives	Government/regional institutions (if applicable)	MDB

¹⁴ Baselines and targets are very important to establish a sound basis for an effective M&E approach. It can be expected that for some indicators it might be rather difficult to establish baselines or targets at the time of IP formulation. However, it is important to outline briefly in the M&E section how the country is going about establishing targets and baselines for indicators which do not have these at the time when the IP is presented to the SREP Sub-Committee.

Step	Activity	Expected output	Lead	Support
2	<i>identify technical, system and capacity gaps for M&E in climate change. It is expected that this analysis will provide a better idea about the nature of interventions needed to establish the regional/country M&E system. This step should also include a cost estimate for establishing the M&E system.</i>	Gap analysis – better understanding of the needs	Government/ regional institutions (if applicable) – implementing entity	MDB
3	<i>discuss the institutional and organizational setting for the M&E system. It is expected that investment plans include a paragraph about the envisaged M&E approach. This section should discuss and provide which agency/ organization is taking the lead in managing SREP M&E.</i>	Clear institutional and organizational structure for SREP M&E at the country level	Government/ regional institutions (if applicable)	MDB
4	<i>assess baselines and establish targets for catalytic and replication results at the country level. The investment plans should include a results framework with context specific indicators. Ideally the results framework incorporates the suggested SREP key indicators with baselines and targets. At least, the investment plan should outline an approach how to establish baselines for relevant indicators.</i>	Results framework at the investment plan level with baselines and targets	Implementing entity	MDB
5	<i>share lessons with other pilot countries in assessing and establishing M&E systems. Pilot countries should document the process of establishing SREP M&E systems and share these lessons with stakeholders within and outside the SREP pilot countries.</i>	Learning from experiences	Government/ regional institutions (if applicable): SREP coordination unit with implementing entities	MDB

b) SREP indicators at the country level

13. Baselines and targets at the national level need to be established to the extent possible for the following approved SREP key indicators:

Results	Indicators	Data source
A. Transformed energy supply and use by poor women and men in low income countries, to low carbon development pathways ¹⁵	a)Percentage (%) share of energy services from modern, renewable, low carbon sources	Country level M&E
	b)Percentage (%) of population (rural/ urban) consuming energy services from RE sources (country level) (women/men)	Country level M&E
	c) Level of household “energy poverty” - Reduction of energy poverty (ESMAP program is developing a methodology to measure this indicator)	Household surveys ESMAP program

¹⁵ The indicators for the impact level are rather high level and macro indicators. There is clear understanding that issues of attribution might arise when the PPCR is evaluated. However, this issue is not unique for PPCR operations but a general concern in the sphere of Managing for Development Results (MfDR). It is expected that impact evaluation instruments in the future might be able to assess some potential causal linkages between PPCR project/program activities at the local level and the high level impact.

Results	Indicators	Data source
	d)Change in the Energy Development Index – EDI (per capita commercial energy consumption; per capita electricity consumption in the residential sector; share of modern fuels in total residential sector energy use; share of population with access to electricity).	IEA annual updates
B.SREP Catalytic Replication Outcomes		
B1.Increase in renewable energy investments	a) Percentage (%) of RE investment of total energy sector investment b) Percentage (%) of private sector RE investments of total energy investments	New Energy Finance Ltd. / Bloomberg country database Country level M&E
B2.Strengthened enabling environment for renewable energy production and use	a)Adoption of and implementation of low carbon energy development plans b)Enactment of policies, laws and regulations for renewable energy	REN21 Global RE Status Report Qualitative assessment - MDBs
B3.Increased economic viability of renewable energy sector	a)Change in percentage (%) of total investment in RE sector from private sector b)Change in percentage (%) of total energy sector employment working in RE (women/men) c)Cost of renewable energy \$/MWh compared to cost of fossil fuels \$/MWh over time	National M&E systems
B4.Increased energy security	Increase in percentage (%) of total energy supply from renewable sources in the power industry and in the energy sector	National M&E systems
B5.Improved respiratory health of women, men, girls, and boys	Prevalence of Acute Respiratory Infections (ARI) (in children under 5 years) (rural/urban)	Country M&E – reported within World Development Indicators (WDI)

c) SREP financing for establishing SREP M&E systems at the country level

14. The amount of SREP project grant funding sought for integrating the SREP results frameworks into national M&E systems will depend in each case on (i) the quality of the existing M&E system and related institutional capacity, (ii) the extent to which ongoing activities are already in place to satisfactorily allow impact monitoring and evaluation (e.g., national M&E systems for monitoring and evaluating climate change action plans); and (iii) the availability of non-SREP sources of funding for this purpose (e.g., MfDR activities of bilateral or multilateral donors). Hence, there is no fixed limit to SREP funding. Countries and MDBs will incur additional costs in developing SREP-related national M&E systems. Funding arrangements are outlined in annex 2.

IV. PROJECT/PROGRAM LEVEL SREP MONITORING AND EVALUATION

a) Setting up the SREP M&E systems at the project/program level

15. Project/program level SREP M&E needs to ensure a close link with the expected results at the country level. The project/program design document needs to outline clearly the envisaged results chain.

16. The following steps are suggested to establish the M&E system for SREP financed projects/programs:

Step	Activity	Expected output	Lead	Support
1	<i>discuss the logic model with stakeholders.</i> The logic model discussion is important to ensure that there is a clear understanding how the envisaged project is fitting into the country's approach in initiating transformational change and climate resilient development.	Results chain: project/program outputs – country outcomes - impact	MDB	Government / implementing entity/ agency
2	<i>discuss the results framework with respective project/ program implementing entity.</i> This process will help to identify the relevant indicators. Not all proposed indicators in the results frameworks will be relevant for all the projects/programs.	Agreement on the core indicators for tracking project/program progress	MDB	Implementing entity/ agency
3	<i>discuss the institutional and organizational setting for the M&E system.</i> It is expected that investment plans include a paragraph about the envisaged M&E approach. This section should discuss and provide which agency/ organization is taking the lead in managing SREP M&E.	Clear institutional and organizational structure for project/program M&E responsibility	Implementing entity/ agency	MDB
4	<i>assess baselines and establish targets</i> for the relevant indicators. A cost estimate for assessing baselines is needed at this stage.	Results framework at the project/program level with baselines and targets	Implementing entity/agency	MDB
5	<i>Develop a detailed M&E plan</i> for the implementation of the project/program and submit M&E plan for MDB Committee approval	M&E Plan	Implementing entity/agency	MDB
6	<i>Share lessons with other projects/programs in assessing and establishing M&E systems.</i> Implementing entity/agency should document the process of establishing SREP M&E systems and share these lessons with stakeholders within and outside the pilot country.	Learning from experiences	Implementing entity/agency	MDB

b) SREP indicators at the project/program level

17. SREP financing is foreseen (i) to provide policy support and technical assistance to develop ambitious national renewables strategies; (ii) to support scaling-up of renewable energy by underwriting additional capital costs and risks associated with renewable energy investments and other instruments for reducing risks to investors; and (iii) to help tackle real and perceived risks in the financial sector through concessional credit lines. Hence, the project/program results frameworks will need to identify and suggest key indicators for each of these areas. In a subsequent step, the SREP results framework could be revised based on (i) endorsed investment plans (identifying priority investment areas); and (ii) priority projects/programs (identified in the investment plans).

18. The SREP results framework is designed to provide a flexible framework to allow for (i) country-driven, country-context specific project/programs with a rather broad set of interventions in supporting

renewable energy initiatives; and (ii) working with the MDBs own managing for results approach. This means that the concept of mandatory indicators needs to be applied practically. Not all projects need to reflect all the indicators. Nevertheless, the indicators on leveraging additional resources and on knowledge management and learning should be part of every single project/program – irrespective of the specific area of intervention.

19. **Projects/programs aimed at increasing access to energy** may include the following indicators with baselines and targets (if feasible) in the project/program M&E frameworks:

Results	Indicators	Data source
C1.Increased access to energy by women and men	Percentage (%) change in number (#) of project beneficiaries with access to energy services from RE (women/men)	Project level M&E
C4.Learning about demonstration, replication, and transformation captured, shared in countries and across countries	a) Number and type of knowledge assets (e.g., publications, studies, knowledge sharing platforms, learning briefs, communities of practices, etc.) created b) Number of non-SREP countries replicate SREP project approach (e.g., investment documents citing SREP pilot project documents) c) Evidence of use	Project M&E CIF AU – qualitative assessment Project M&E
5.New and additional resources for renewable energy projects	Leverage factor of SREP funding; \$ financing from other sources (contributions broken down by MDBs, governments, multilaterals and bilaterals, CSOs, private sector)	Project M&E

20. **Projects/programs aimed to increase energy provision through renewable energy** may include the following indicators with baselines and targets (if feasible) in the project/program M&E frameworks:

Results	Indicators	Data source
C2.Increased GWh of RE energy services	a) Percentage (%) change in # of GWh from RE and per capita b)Number of jobs (women and men) in RE services created c)Percentage (%) change in tons (millions) of CO ₂ – eq at \$ cost per ton	Country level M&E
C4.Learning about demonstration, replication, and transformation captured, shared in countries and across countries	a) Number and type of knowledge assets (e.g., publications, studies, knowledge sharing platforms, learning briefs, communities of practices, etc.) created b) Number of non-SREP countries replicate SREP project approach (e.g., investment documents citing SREP pilot project documents) c) Evidence of use	Project M&E CIF AU – qualitative assessment Project M&E
5.New and additional resources for renewable energy projects	Leverage factor of SREP funding; \$ financing from other sources (contributions broken down by MDBs, governments, multilaterals and bilaterals, CSOs, private sector)	Project M&E

21. **Projects/programs aimed to improve the enabling environment for renewable energy** may

include the following indicators with baselines and targets (if feasible) in the project/program M&E frameworks:

Results	Indicators	Data source
C3.Decreased cost of energy from renewable sources	Percentage (%) change in \$ cost / GWh of RE for project beneficiaries grid-connected	Project level M&E
C4.Learning about demonstration, replication, and transformation captured, shared in countries and across countries	a) Number and type of knowledge assets (e.g., publications, studies, knowledge sharing platforms, learning briefs, communities of practices, etc.) created b) Number of non-SREP countries replicate SREP project approach (e.g., investment documents citing SREP pilot project documents) c) Evidence of use	Project M&E CIF AU – qualitative assessment Project M&E
5.New and additional resources for renewable energy projects	Leverage factor of SREP funding; \$ financing from other sources (contributions broken down by MDBs, governments, multilaterals and bilaterals, CSOs, private sector)	Project M&E

22. There might be other investment or thematic areas which will be added when all investment plans have been developed and endorsed.

c) SREP financing for establishing SREP M&E systems at the project/program level

23. Funding requirements for establishing SREP M&E systems for each project/program will depend on the country- context (e.g., existing capacity at the project level); and (ii) the nature of the individual project/program. Countries and MDBs will incur additional costs in developing project/program specific M&E systems. Funding arrangements are outlined in annex 2.

V. REPORTING

24. **CORE INDICATORS** - The logic model and the results framework are designed to provide a basis for long-term reporting and eventually evaluation efforts. Therefore, it is important to establish comprehensive M&E systems within a pilot country based on the SREP results framework. However, for medium-term progress reporting to the SREP Sub-Committee there is a need for focusing on a limited set of core indicators. These core indicators provide the basis for a more standardized approach across the pilot countries and regional pilots. It is expected that the country teams discuss these core indicators with all the pilot countries and regional programs (if applicable) and establish baselines and targets for these core indicators within the next three months. The SREP Sub-Committee expects that core indicators are in place for all the programs by November 2011, so that reporting against these indicators can start in 2012.

25. The following core indicators are suggested for SREP medium-term reporting:

Indicator
Country level
Reduction of energy poverty (ESMAP program is developing a methodology to measure this indicator)
Contribution to energy security (share of renewable energy on overall energy production)
Project/program level

Installed capacity (MW)
Electricity generated from renewable energy (MWh)
Number of households/people with access to electricity
Percentage (%) change in number of project beneficiaries with access to energy services from renewable energy
Leverage factor of SREP funding: \$ financing from other sources (contributions broken down by governments, MDBs, other multilateral and bilateral partners, CSOs, private sector)

26. It is suggested that country teams review carefully the above indicators and report only against the indicators for the sectors which the IP is going to address. Other sector core indicators can be ignored. Such an approach will allow the MDBs and the CIF AU to cover the whole range of IP operations.

27. These core indicators need to be complemented with data concerning the portfolio development. There is no need for any additional analysis or data mining, project portfolio performance data should be extracted from the MDBs' own project portfolio review system. Basic essential information on the projects/programs including: (i) financial information (commitments, expenditures, contract awards, etc.); (ii) project rating; (iii) thematic and operational priorities; (iv) rating on covenants; and (v) major issues and problems.

28. Based on the project/program reporting, the countries will consolidate the reports in a comprehensive implementation progress report to the SREP Sub-Committee. The progress report will have to demonstrate how countries are performing in terms of established goals and objectives. The CIF AU will consolidate the reports of the countries and provide feedback to the Sub-Committee within the CIF Annual Report, Semi-Annual reports on SREP Operations, and occasionally in thematic results reports. Such an approach will ensure that the SREP Sub-Committee receives updates on the status of the implementation and achievement of results by investment plan at the CIF programmatic level on a regular basis.

29. **LEARNING** - Annual reports to the SREP Sub-Committee concerning the development of establishing M&E systems are needed. Hence, the MDBs are strongly advised to document the process of setting up the SREP M&E system in a pilot country and share these country-specific reports with the CIF AU. In addition, MDBs are requested to assist their government counterparts to prepare and share lessons concerning M&E in annual SREP pilot country meetings.

Monitoring and Evaluation in the Investment Plans

1. The investment plans (IP) should outline the M&E approach. It is expected that the M&E section in the IP comprises: (i) a results framework to monitor progress and to provide the basis for evaluating the implementation of the IP; (ii) a brief description of the institutional arrangements with assigning roles and responsibilities; and (iii) outlining the resource requirements to establish and manage the M&E approach. The following approach for preparing the M&E section is suggested:

A. Preparation of the results framework

2. The results framework is the more important element of the M&E section. It is key to develop a country/IP specific results framework to ensure that the country's own climate resilient development approach can be monitored and henceforth managed.

3. The following steps are recommended:

- Step 1: Discuss the need for a SREP logic model and results framework with the pilot country
- Step 2: Develop a country-specific SREP results framework and agree on indicators
- Step 3: Establish baselines and targets for the results indicators

B. Institutional and organizational arrangements for IP M&E

4. Clear assignments of roles and responsibilities are required to establish an efficient and effective M&E system. Reporting requirements and responsibility need to be mapped out. For the SREP, it is key to identify an organization which takes the lead M&E of the IP. This can be either a lead ministry, a specialized government agency, a think tank or any other institutional or organizational setting the pilot country would like to consider.

- Step 1: Analyze the existing (or non-existing national) M&E system for climate and energy related activities
- Step 2: Assess the adequacy of the existing M&E in meeting the requirements in A (preparation of the results framework)
- Step 3: Identify gaps and propose measures to address the gaps
- Step 4: Propose and agree on the institutional arrangements and responsibility for M&E of IP investments/activities

C. Resource requirements

5. Pilot countries need to identify areas where they may need support in setting up the M&E system. Needs may include technical support, hard and software, and capacity development. It would be very useful to quantify the needs and identify the approach to access these resources. Annex 2 provides an overview of the CIF modalities to cover expenses incurred by the pilot countries and the MDBs.

Financing Mechanisms

A. Preparation of Country-level SREP M&E Results Frameworks for Inclusion in Investment Plans

Cost Category	Financing Mechanisms
<i>Country costs</i> incurred in completing activities set out in para.12 in the main text.	TA grants to pilot countries for IP preparation.
<i>MDB costs</i> for supporting above country-led preparation activities.	CIF administrative budget resources for MDB support to country-led programming of SREP resources.

B. Preparation of M&E Components in Individual Projects/Programs:

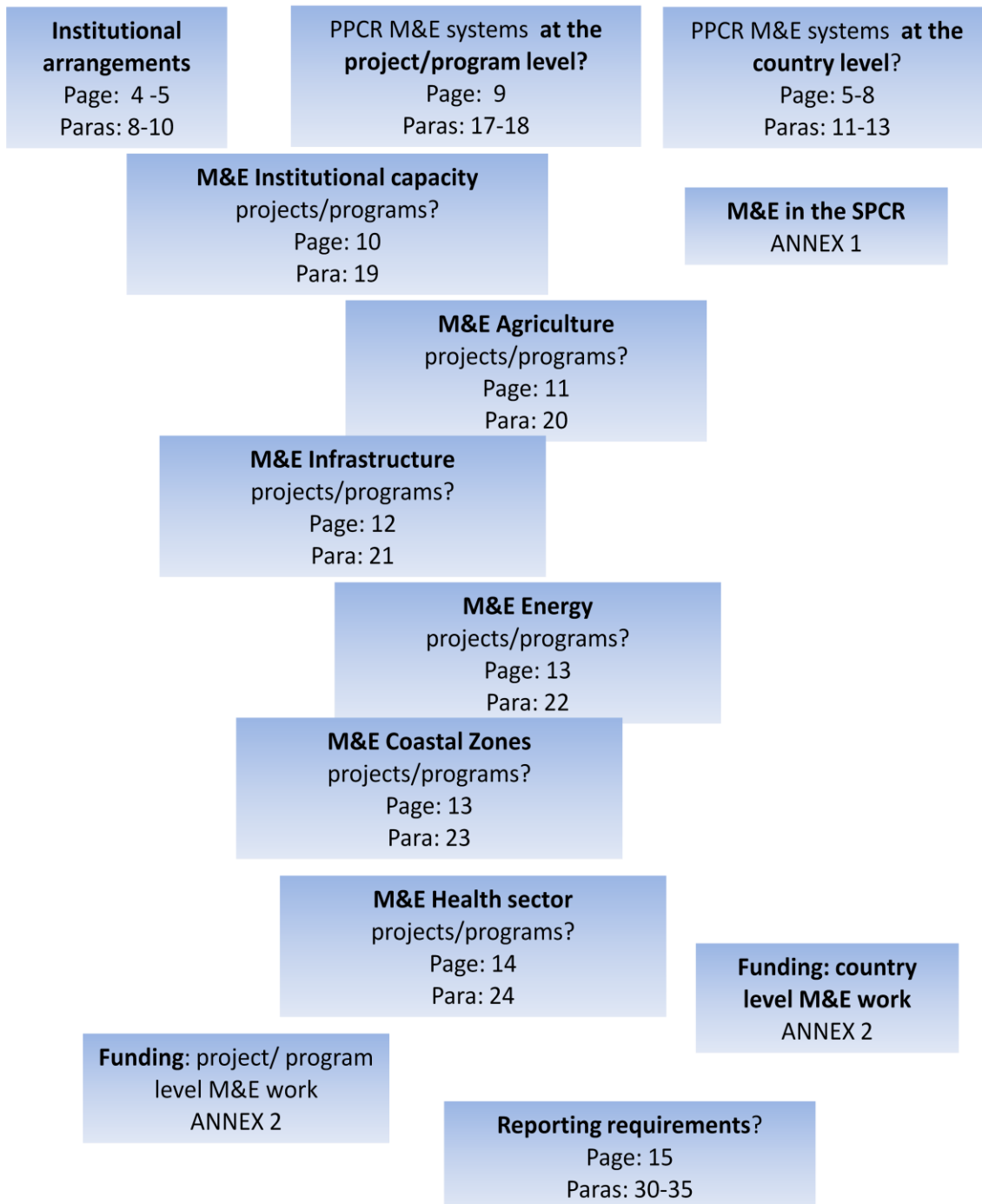
Cost Category	Financing Mechanisms
<i>Country costs</i> for detailed development of SREP M&E components in individual projects/programs contained in the IP. This includes (i) preparation of a capacity building project (or project component) designed to support integration of the SREP M&E results framework (developed under (a) above) in the national M&E system., and (ii) preparation of project/program level SREP results frameworks/logic models in all IP projects/programs.	TA grants to pilot countries for project preparation.
<i>MDB costs</i> for supporting above country-led preparation activities.	Covered under arrangements approved by the SDF TFC on June 23, 2011 (ref. SCF/TFC.7/6, <i>MDB Project Implementation Services under SCF's Targeted Programs: Sources of Funding and Implementation Arrangements</i>) - First payment (50% of the initial estimate of MPIS costs) to be made to MDBs at time of IP endorsement; the second payment (final estimate of MPIS costs less first payment) would be transferred at time of SC approval of proposed project. Payments for MPIS are to be funded out of the reserve funds that have been set aside by the SREP Sub-Committee in its decision on the allocation of funds pledged to the targeted program.

C. Implementation of M&E Components in Individual Projects/Programs

Cost Category	Financing Mechanisms
<i>Country costs</i> for implementing M&E activities defined in project/program level M&E components	SREP project grants to pilot countries
<i>MDB costs</i> for supporting and supervising country-led implementation of SREP M&E components at project/program level.	Covered under the provisions approved by the SCF TFC for Payments for MDB Project Implementation Services (MPIS) – see above.

PPCR MONITORING AND EVALUATION
DRAFT Preliminary Guidance Note for PPCR Country Teams

What are you looking for?



PPCR MONITORING AND EVALUATION

DRAFT Preliminary Guidance Note for PPCR Country Teams

I. INTRODUCTION

1. A results framework for the PPCR has been approved by the Joint CTF/SCF Trust Fund Committee in November 2010. MDB task teams need to work with PPCR pilot countries to implement the results frameworks as soon as possible to build the foundation for results reporting.
2. Implementation comprises: working with pilot countries to integrate M&E activities in the preparation and implementation of PPCR financed (i) country and regional strategic programs for climate resilience (SPCR); and (ii) related projects/programs involving public and private sector operations. The M&E system needs to reflect the interdependencies among these two levels. There is an urgent need to establish a comprehensive M&E system to ensure that projects/programs under the SPCR are indeed anchored within the overall strategic approach.
3. To provide a common framework for this undertaking, this note summarizes the (i) objective and institutional arrangement; (ii) Country level PPCR Monitoring and Evaluation; (iii) Project/Program level PPCR Monitoring and Evaluation; and (iv) reporting.

II. OBJECTIVE AND INSTITUTIONAL ARRANGEMENTS

4. The PPCR aims to pilot and demonstrate ways to integrate climate risk and resilience into developing countries' core development planning and activities. The PPCR provides incentives for scaled-up action and transformational change, and offers additional financial resources to help fund public and private sector investment for climate resilient development plans. The objective of PPCR M&E activities, therefore, is to help to strengthen national M&E systems to monitor and evaluate the impact of activities aimed to address climate resilient development. The M&E system will support countries to monitor implementation of projects and programs and take corrective action/decisions based on information generated through the M&E system. The results frameworks are designed to operate: (i) within existing national monitoring and evaluation systems; and (ii) the MDBs' own managing for development results (MfDR) approach.
5. By integrating the PPCR M&E results frameworks into national M&E systems, countries will take the lead and establish a managing for results philosophy that will help enhance the design and impact of their investments. They also gain the opportunity to share experiences and lessons with others, thereby helping to accelerate the CIF's "learning-by-doing" process in support of the replication of good practices for managing and sustaining climate change transformation at the country level.
6. There are three key elements of the PPCR M&E approach that need to be followed by PPCR financed projects:

a) Planning

- PPCR project/program planning should use a flexible planning approach, with results cascading from the country level to projects and indicator reporting from projects/programs aggregated at the country level.
- Regional programs will also have to develop results frameworks demonstrating how country level initiatives are linked to the overall regional results.
- There should be a logic model in each SPCR that sets the strategic direction and identifies the results that identified priority projects/programs must contribute to.
- SPCRs should articulate the issues, priorities for investments, challenges, and risks to be addressed in a country or regional context.
- Catalytic results – beyond the immediate output of projects/programs under the PPCR – should also be clearly identified and the reporting approach outlined in the SPCR.
- Project and program documents should describe the expected results of individual interventions, linked to the overall results framework for the pilot country and the region, if applicable.
- Project and program documents should include results frameworks, indicators, baselines, and targets and the methodology how the data will be produced. These documents should be shared with the CIF Administrative Unit.

b) Monitoring and Reporting

- PPCR financed projects and programs are implemented using MDB processes, procedures and systems. However, there is a set of indicators for the PPCR that must be included in projects/programs.
- Countries and regional institutions (for the regional programs) supported by the MDBs are mainly responsible for collecting and reporting data on all these key indicators. The government will identify and charge an executing agency with reporting responsibility.
- Project outputs and outcomes are expected to be monitored and reported on a regular basis using the key indicators. Reporting is expected at the start when establishing the baselines, at mid-term and upon completion. Annual reporting is desirable whenever feasible.
- Countries are the main reporting units of the PPCR. Reporting against the implementation of the SPCRs/strategies is at the core of the PPCR M&E system. The government will identify and charge an executing agency with reporting responsibility.
- A programmatic approach at the country or regional level requires that country or regional institutions take the lead in consolidating data from projects/programs at the country level and report these to the PPCR Sub-Committee through the CIF Administrative Unit. Countries need to nominate a national or regional institutional focal point for M&E – taking the responsibility to manage the PPCR M&E efforts, particularly the reporting to the PPCR Sub-Committee.

c) Learning and Knowledge Management¹⁶

- CIF knowledge management activities are closely linked to CIF's work on monitoring and reporting.

¹⁶ Detailed guidance on information sharing and lessons-sharing activities (ISL) is available in *Integrating Information Sharing and Lessons-Learning CIF Country Programs and Projects – A Guidance Note for MDB Task Teams*, shared with the MDBs on March 14, 2011.

- PPCR projects and programs will need to include knowledge management activities involving identifying, creating, organizing, sharing and using lessons learned, and good practices in PPCR pilot country programs and projects.
- PPCR's knowledge management activities have themselves to be targeted towards a set of KM results that must be monitored and reported on.

7. With the approval of the results frameworks as living documents, the joint CTF/SCF Trust Fund Committee established the basis for an adaptive M&E approach. The data generated through the M&E system should allow countries to take corrective action based on information/evidence. The adaptive management approach requires a constant and sustained feedback mechanism which allows countries to reflect on measures, approaches, methodologies etc. and initiate change when data or observations point towards the need to adapt to changing circumstances.

8. A robust M&E system requires appropriate institutional arrangements for assigning functions and responsibilities for managing the integration of M&E systems. The institutional setting will be determined as part of the preparation of the individual investments. They will be a consequence of the nature of proposed M&E priorities, existing institutional structures and arrangements, and the fact that the M&E system development needs to be managed at the government level (see Table1).

9. Capacity development needs to be a key element in all efforts to strengthen a results-oriented management approach of individual projects/programs but also the management of the SPCR. Hence, the identification of capacity needs is essential for successful strategic management of CIF operations in pilot countries and regions.

10. The capacity of country or regional institutions to carry out above and other M&E activities would, as required, be strengthened through

- *upgrading of existing, or acquisition of new, equipment and services to effectively link local teams to web-based performance measurement systems;*
- *capacity development on the use of appropriate methodologies to measure results;*
- *using local consultant services (when feasible) to establish baselines and upgrade M&E systems;*
- *using local [staff] (when feasible) and/or consultants to manage the country/project sites for generating and reporting performance data;*
- *using local [staff] and/or consultants (when feasible) to capture and document experiences and lessons in developing and implementing strategic country programs and their investment projects (including possible out-sourcing to local organizations and academic institutions);*
- *contracting for the organization, holding, and documenting outcomes of M&E activities through workshops with local stakeholders; and*
- *facilitating the participation [travel, accommodation] of local team members in CIF pilot/partner country meetings and other relevant external knowledge sharing events.*

Table 1: Possible Institutional Arrangements for Managing for Results

Responsibility	Function
<i>Unit or agency within the pilot country with enhanced M&E capacity (lead for development and implementation of the strategic country or regional program)¹⁷</i>	<ul style="list-style-type: none"> - Coordinate the integration of the PPCR results framework into the national M&E system and ensure that M&E arrangements are reflected in the SPCR document submitted for SC review and approval. - Monitor or assess the catalytic replication indicators. - Manage the assessment of current M&E capacity and gap analysis in terms of baselines, targets, technology (IT support) and HR capacity. - Manage the progress reporting in implementing the SPCRs. - Prepare progress reports on SPCR implementation to the Trust Fund Committees/Sub-Committees annually. - Monitor project/program implementation and request regular project performance updates in line with agreed procedures from the relevant government agencies and MDBs.
<i>Sector ministries/private sector arms of the MDBs on behalf of private sector entities</i>	<ul style="list-style-type: none"> - Manage the M&E systems at the project/program level and ensure regular progress reporting to (i) the coordinating unit; and (ii) communicate with all relevant stakeholders. - Private sector entities report through the respective MDBs managing the relationship as the legal and implementation agreement is between the private client and the MDB only. The private sector MDB will include the PPCR core M&E indicators as well as relevant project-specific indicators to its standard institutional reporting requirements and communicate these to the unit or agency leading the SPCR M&E approach in the pilot country
<i>Implementation units (public/private sector) for individual CIF funded projects</i>	<ul style="list-style-type: none"> - Manage the establishment of M&E systems for each individual project/program. - As agreed with the central program coordination unit report on progress on outputs and outcomes indicators on a regular basis.

III. COUNTRY/REGIONAL LEVEL PPCR MONITORING AND EVALUATION

a) Setting up the PPCR M&E system at the country / regional level¹⁸

11. Regions and countries which are in the process of finalizing their SPCR design should discuss and present the envisaged M&E approach in the SPCR. It is expected that the M&E section in the SPCR comprises: (i) a results framework to monitor progress and evaluate the implementation of the SPCR; (ii) a brief description of the institutional arrangements with assigning roles and responsibilities; and (iii) outlining the resource requirements to establish and manage the M&E approach.¹⁹ Annex 1 outlines in more details how the M&E section in the SPCR could be developed and specific aspects of M&E this

¹⁷ In the case of a regional project, it would be appropriate for the entity selected for managing the regional component of the project to assume the coordinating function for ISL activities.

¹⁸ The term “regions” in the context of PPCR refers to the PPCR’s regional programs, namely the Caribbean and South Pacific regional program.

¹⁹ Baselines and targets are very important to establish a sound basis for an effective M&E approach. It can be expected that for some indicators it might be rather difficult to establish baselines or targets at the time of SPCR formulation. However, it is important to outline briefly in the M&E section how the country is going about establishing targets and baselines for indicators which do not have these at the time when the SPCR is presented to the PPCR Sub-Committee.

section in the SPCR might highlight. Regions and countries which have already approved SPCRs will need to re-engage, if necessary, with the MDBs to discuss the M&E approach.

12. The following detailed steps for the country/regional level M&E approach are suggested:

Step	Activity	Expected output	Lead	Support
1	<i>access technical data and methodologies, information, and lessons learned</i> from other managing for development results (MfDR) initiatives. A stock-taking exercise is needed to explore whether other initiatives are already promoting enhanced M&E system development. The PPCR might build on or complement these ongoing initiatives.	Synergies with other managing for development results initiatives	Government/ regional institutions (if applicable)	MDB
2	<i>identify technical, system and capacity gaps</i> for M&E in climate change. It is expected that this analysis will provide a better idea about the nature of interventions needed to establish the regional/country M&E system. This step should also include a cost estimate for establishing the M&E system.	Gap analysis – better understanding of the needs	Government/ regional institutions (if applicable) – implementing entity	MDB
3	<i>discuss the institutional and organizational setting for the M&E system.</i> It is expected that investment plans include a paragraph about the envisaged M&E approach. This section should discuss and provide which agency/ organization is taking the lead in managing PPCR M&E.	Clear institutional and organizational structure for PPCR M&E at the country level	Government/ regional institutions (if applicable)	MDB
4	<i>assess baselines and establish targets</i> for catalytic and replication results at the country level. The SPCRs should include a results framework with country specific indicators. Ideally the results framework incorporates the suggested PPCR key indicators with baselines and targets. At least, the SPCR should outline an approach how to establish baselines for relevant indicators.	Results framework at the SPCR level with baselines and targets	Implementing entity	MDB
5	<i>share lessons with other pilot countries in assessing and establishing M&E systems.</i> Pilot countries should document the process of establishing PPCR M&E systems and share these lessons with stakeholders within and outside the PPCR pilot countries.	Learning from experiences	Government/ regional institutions (if applicable): PPCR coordination unit with implementing entities	MDB

b) PPCR indicators at the country level

13. Baselines and targets at the national level need to be established to the extent possible for the following approved PPCR key indicators:

Results	Indicators	Means of Verification
1.Improved quality of life of people living in areas most affected	a) Change in the Global Adaptation Index (GaIn) b) Millennium Development Goals (MDG) indicators	Global Adaptation Institute

Results	Indicators	Means of Verification
by climate variability and climate change ²⁰	1.1 to 1.9, 4.1, 4.2, 5.1, 6.6, 7.1-7.10, and 8.15-16 c) Percent (%) of people classified as poor (women and men) and food insecure (women and men) in most affected regions d) Number of lives lost / injuries from extreme climatic events (women/men) e) Damage / economic losses (\$) from extreme climatic events	Country M&E/ UN – The Millennium Development Goals Report Country M&E EM-DAT International Disaster Database (http://www.emdat.be/about)
2.Increased resilience in economic, social, and eco-systems to climate variability and climate change through transformed social and economic development	a) Country outcome indicators (e.g., existence and effectiveness of early warning system for extreme climate events; changes in land degradation (soil protection, afforestation); scope of social safety nets; existence of risk insurances; access to credit to transform agricultural practices as a result of increasing climate risks; diversifying income sources; etc) b) Changes in budget allocations of all levels of government to take into account effects of climate variability and climate change across sectors and regions.	Country M&E system (ideally results framework of the National Development Plan) Periodic qualitative assessment at the country level and sub-national level- Public expenditure reviews
PPCR Catalytic Replication Outcomes		
1.Improved institutional structure and processes to respond to climate variability and climate change	a) Number and quality of policies introduced to address climate change risks or adjusted to incorporate climate change risks b) Quality of participatory planning process (as assessed by private sector, CSOs) c) Extent to which national results monitoring and evaluation system includes process to monitor adaptation efforts (at all levels of government) and related indicators are publically available d) Extent to which development decision making is made based on country-specific climate science, local climate knowledge (regional and eco-regional level), and (gender-sensitive) vulnerability studies e) staff in key line agencies that address climate resilience as part of the development agenda.	Country M&E system Satisfaction survey Periodic qualitative assessment at the country level, including sub-national Periodic qualitative assessment at the country level, including sub-national

²⁰ The indicators for the impact level are rather high level and macro indicators. There is clear understanding that issues of attribution might arise when the PPCR is evaluated. However, this issue is not unique for PPCR operations but a general concern in the sphere of Managing for Development Results (MfDR). It is expected that impact evaluation instruments in the future might be able to assess some potential causal linkages between PPCR project/program activities at the local level and the high level impact.

Results	Indicators	Means of Verification
2.Scaled-up investments in climate resilience and their replication	<p>a) Number and value of investments (national and local government, non government, private sector, etc) in \$ by type of climate resilient investments (e.g., flood protection, irrigation, roads, dams, social safety nets, insurance schemes, etc.)</p> <p>b) Evidence of integrating lessons learned (national and local government, non government, private sector) from PPCR pilot projects/programs</p> <p>c) Evidence of increased capacity to manage climate resilient investments</p>	<p>Country M&E system</p> <p>Budget allocations at all levels</p> <p>MDB cross-country qualitative review</p>
3.Replication of PPCR learning in non-PPCR countries	<p>a) Number of non-PPCR countries and sectors within the country applying climate proofing and resilience principles in country development strategy planning and sharing it through PPCR knowledge management</p> <p>b) Number of non-PPCR countries replicate PPCR project approach (e.g., investment documents citing PPCR pilot project documents)</p>	MDB cross-country review

c) PPCR financing for establishing PPCR M&E systems at the country level

14. The amount of PPCR project grant funding sought for integrating the CIF results frameworks into national M&E systems will depend in each case on (i) the existing M&E system and related institutional capacities, (ii) the extent to which ongoing activities are already in place to satisfactorily allow impact monitoring and evaluation (e.g., national M&E systems for monitoring and evaluating climate change action plans); and (iii) the availability of non-CIF sources of funding for this purpose (e.g., MfDR activities of bilateral or multilateral donors). Hence, there is no fixed limit to CIF funding. Countries and MDBs will incur additional costs in developing PPCR-related national M&E systems. Funding arrangements are outlined in annex 2.

IV. PROJECT/PROGRAM LEVEL PPCR MONITORING AND EVALUATION

15. Project/program level PPCR M&E needs to ensure a close link with the expected results at the country level. The project/program design document needs to outline clearly the envisaged results chain.

a) Setting up the PPCR M&E system at the country / regional level

16. The following steps are suggested to establish the M&E system for PPCR financed projects/programs:

Step	Activity	Expected output	Lead	Support
1	<i>discuss the logic model with stakeholders</i> The logic model discussion is important to ensure that there is a clear understanding how the envisaged project is fitting into the country's approach in initiating transformational change and climate resilient development.	Results chain: project/program outputs – country outcomes – impact	MDB	Government / implementing entity/ agency
2	<i>discuss the results framework with respective project/ program implementing entity</i> . This	Agreement on the core indicators for	MDB	Implementing entity/ agency

Step	Activity	Expected output	Lead	Support
	process will help to identify the relevant indicators. Not all proposed indicators in the results frameworks will be relevant for all the projects/programs.	tracking project/program progress		
3	<i>discuss the institutional and organizational setting for the M&E system.</i> It is expected that SPCRs include a paragraph about the envisaged M&E approach. This section should discuss and provide which agency/ organization is taking the lead in managing PPCR M&E.	Clear institutional and organizational structure for project/program M&E responsibility	MDB	Implementing entity/ agency
4	<i>assess baselines and establish targets</i> for the relevant indicators. A cost estimate for assessing baselines is needed at this stage.	Results framework at the project/program level with baselines and targets	MDB	Implementing entity/agency
5	<i>Develop a detailed M&E plan</i> for the implementation of the project/program and submit M&E plan for MDB Committee approval	M&E Plan	Implementing entity/agency	MDB
6	<i>Share lessons with other projects/programs in assessing and establishing M&E systems.</i> Implementing entity/agency should document the process of establishing PPCR M&E systems and share these lessons with stakeholders within and outside the pilot country.	Learning from experiences	Implementing entity/agency	MDB

b) PPCR indicators at the project/program level

17. PPCR financing is foreseen for several adaptation-relevant sectors, including water, agriculture, infrastructure, energy sector, coastal zones, disaster risks, hydrometeorology, climate information systems, and the health sector. Hence, the project/program results frameworks need to reflect the key indicators for each of these areas.

18. The PPCR results framework is designed to provide a flexible framework to allow for (i) country-driven, country-context specific projects/programs with a rather broad set of interventions; and (ii) working within the MDBs own managing for results approach. This means that the concept of mandatory indicators needs be applied practically. Not all projects need to reflect all the indicators. For instance, agriculture projects focus on agricultural sector relevant indicators, energy sector projects on energy project relevant indicators and health sector projects on health relevant indicators. Nevertheless, the indicators on leveraging additional resources and on knowledge management and learning should be part of every single project/program – irrespective of the sector focus.

19. **Institutional capacity development project/programs** may include the following indicators with baselines and targets (if feasible) in the project/program M&E frameworks:

Results	Indicators	Means of Verification
1.Improved integration of resilience into country development strategies,	a) Degree to which development plans integrate climate resilience by subjecting planning to climate proofing and assessments of vulnerability (including	Periodic qualitative review of strategies and other dev. Plans and policies

Results	Indicators	Means of Verification
plans, policies, etc. (at the national and local level)	gender dimension) and including measures to better manage and reduce related risk, and is disseminated broadly b) Budget allocations (at all levels) to take into account effects of climate variability and climate change (vulnerabilities) across sectors and regions	Periodic public expenditure reviews – budget allocations
2.Increased capacity to integrate climate resilience into country strategies	a) Evidence of a functioning cross-sectoral mechanism that takes account of climate variability and climate change b) Evidence of line ministries or functional agencies lead in updating or revising country strategies (moving from ‘outside management’ to country ownership)	Project M&E Project M&E
3.Increased knowledge & awareness of climate variability and climate change impacts (e.g. climate change modeling, climate variability impact, adaptation options) among government / private sector / civil society / education sector	Coverage (comprehensiveness) of climate risk analysis and vulnerability assessments within the limits that current scientific evidence permits (project-specific: sector, geographical area, sex, population group, location etc.)	Project M&E – qualitative assessment Project M&E
5.Enhanced integration of learning / knowledge into climate resilient development	a) Relevance (demonstrated by complementing and integration with other initiatives) and quality (stated by external experts) of knowledge assets (e.g., publications, studies, knowledge sharing platforms, learning briefs, communities of practice, etc.) created b) Evidence of use of knowledge and learning	Project documents, M&E CIF – AU qualitative assessment Project documents, M&E
6. Leveraging – new and additional resources for clean technology projects	Leverage factor of PPCR funding; \$ financing from other sources (contributions broken down by MDBs, governments, multilaterals and bilaterals, CSOs, private sector)	Project M&E

20. **Agriculture projects/programs** may include the following indicators with baselines and targets (if feasible) in the project/program M&E frameworks:

Results	Indicators	Means of Verification
Increased capacity to withstand / recover from CC / CV effects in investment program/ project specific priority infrastructure, coastal / agricultural / water interventions, social safety nets, insurance schemes, etc	a) Change in percent change in availability of drought/salt-tolerant, certified seeds/crops b) Change in hectares of farms with sustainable access to irrigation and drinking water	Project M&E Project M&E
Enhanced integration of learning / knowledge into climate resilient	a) Relevance (demonstrated by complementing and integration with other initiatives) and quality (stated by external experts) of knowledge assets (e.g.,	Project documents, M&E CIF – AU qualitative assessment

Results	Indicators	Means of Verification
development	publications, studies, knowledge sharing platforms, learning briefs, communities of practice, etc.) created b) Evidence of use of knowledge and learning	Project documents, M&E
Leveraging – new and additional resources for clean technology projects	Leverage factor of PPCR funding; \$ financing from other sources (contributions broken down by MDBs, governments, multilaterals and bilaterals, CSOs, private sector)	Project M&E

21. **Infrastructure projects/programs** may include the following indicators with baselines and targets (if feasible) in the project/program M&E frameworks:

Results	Indicators	Means of Verification
Increased capacity to withstand / recover from CC / CV effects in investment program/ project specific priority infrastructure, coastal / agricultural / water interventions, social safety nets, insurance schemes, etc	a) Change in km of roads built/rehabilitated according to climate-resistant codes and standards (e.g. raised roads, improved cover materials) b) Change in number of peoples with access to climate resilient housing and shelter	Project M&E Project M&E
Enhanced integration of learning / knowledge into climate resilient development	a) Relevance (demonstrated by complementing and integration with other initiatives) and quality (stated by external experts) of knowledge assets (e.g., publications, studies, knowledge sharing platforms, learning briefs, communities of practice, etc.) created b) Evidence of use of knowledge and learning	Project documents, M&E CIF – AU qualitative assessment Project documents, M&E
Leveraging – new and additional resources for clean technology projects	Leverage factor of PPCR funding; \$ financing from other sources (contributions broken down by MDBs, governments, multilaterals and bilaterals, CSOs, private sector)	Project M&E

22. **Energy sector projects/programs** may include the following indicators with baselines and targets (if feasible) in the project/program M&E frameworks:

Results	Indicators	Means of Verification
Increased capacity to withstand / recover from CC / CV effects in investment program/ project specific priority infrastructure, coastal / agricultural / water interventions, social safety nets, insurance schemes, etc	a) Change in number of energy-related infrastructure integrating climate resilience features b) Availability of tools to assess climate risks to power plants and other sources of energy	Project M&E Project M&E
Enhanced integration of learning / knowledge into climate resilient development	a) Relevance (demonstrated by complementing and integration with other initiatives) and quality (stated by external experts) of knowledge assets (e.g., publications, studies, knowledge sharing platforms, learning briefs, communities of practice, etc.) created b) Evidence of use of knowledge and learning	Project documents, M&E CIF – AU qualitative assessment Project documents, M&E
Leveraging – new and	Leverage factor of PPCR funding; \$ financing from	Project M&E

Results	Indicators	Means of Verification
additional resources for clean technology projects	other sources (contributions broken down by MDBs, governments, multilaterals and bilaterals, CSOs, private sector)	

23. **Coastal Zones projects/programs** may include the following indicators with baselines and targets (if feasible) in the project/program M&E frameworks:

Results	Indicators	Means of Verification
Increased capacity to withstand / recover from CC / CV effects in investment program/ project specific priority infrastructure, coastal / agricultural / water interventions, social safety nets, insurance schemes, etc	Change in percentage of coastal area with natural buffer zones (e.g. green belts on embankments) to manage sea level rise and extreme storms (hurricanes, cyclones, typhoons)	Project M&E
Enhanced integration of learning / knowledge into climate resilient development	a) Relevance (demonstrated by complementing and integration with other initiatives) and quality (stated by external experts) of knowledge assets (e.g., publications, studies, knowledge sharing platforms, learning briefs, communities of practice, etc.) created b) Evidence of use of knowledge and learning.	Project documents, M&E CIF – AU qualitative assessment Project documents, M&E
Leveraging – new and additional resources for clean technology projects	Leverage factor of PPCR funding; \$ financing from other sources (contributions broken down by MDBs, governments, multilaterals and bilaterals, CSOs, private sector).	Project M&E

24. **Health sector projects/programs** may include the following indicators with baselines and targets (if feasible) in the project/program M&E frameworks:

Results	Indicators	Means of Verification
Increased capacity to withstand / recover from CC / CV effects in investment program/ project specific priority infrastructure, coastal / agricultural / water interventions, social safety nets, insurance schemes, etc	a) Change in response time for national and local emergency response units to extreme climatic events b) Change in percent in access of population in project/program area to health products mitigating the risks of water-born diseases due to the impacts of climate change.	Project M&E Project M&E
Enhanced integration of learning / knowledge into climate resilient development	a) Relevance (demonstrated by complementing and integration with other initiatives) and quality (stated by external experts) of knowledge assets (e.g., publications, studies, knowledge sharing platforms, learning briefs, communities of practice, etc.) created b) Evidence of use of knowledge and learning.	Project documents, M&E CIF – AU qualitative assessment Project documents, M&E
Leveraging – new and additional resources for clean technology projects	Leverage factor of PPCR funding; \$ financing from other sources (contributions broken down by MDBs, governments, multilaterals and bilaterals, CSOs, private sector)	Project M&E

25. There might be other sectors which will be added when all SPCR have been developed and

endorsed.

c) PPCR financing for establishing PPCR M&E systems at the project/program level

26. Funding requirements for establishing PPCR M&E systems for each project/program will depend on the country- context (e.g., existing capacity at the project level); and (ii) the nature of the individual project/program. Countries and MDBs will incur additional costs in developing project/program specific M&E systems. Funding arrangements are outlined in annex 2.

V. REPORTING

27. **CORE INDICATORS** – The logic model and the results framework are designed to provide a basis for long-term reporting and eventually evaluation efforts. Therefore, it is important to establish comprehensive M&E systems within a pilot country based on the PPCR results framework. However, for medium-term progress reporting to the PPCR Sub-Committee there is a need for focusing on a limited set of core indicators. These core indicators provide the basis for a more standardized approach across the pilot countries and regional pilots. It is expected that the country teams discuss these core indicators with all the pilot countries and regional programs (if applicable) and establish baselines and targets for these core indicators within the next three months. The PPCR Sub-Committee expects that core indicators are in place for all the programs by November 2011, so that reporting against these indicators can start in 2012.

28. The following core indicators are suggested for PPCR medium-term reporting:

Indicator	
SPCR level	
Change in number of national-level economic sector and development policies and regulatory frameworks integrate climate resiliency and vulnerability reduction considerations (incl. insurance systems)	
Effective national early warning system (incl. accurate weather forecast and lead time for response)	
Project/program level	
Change in number of institutions/communities in project/program area with knowledge on climate change and response options	
PPCR program/project outcome indicators by economic sector and vulnerable regions (applicability depends on sectors addressed in each SPCR), e.g.:	Change in percentage of households (in areas at risk) whose livelihoods have improved (acquisition of productive assets, food security during particularly sensitive periods of the year, nutrition for < 5 year old children, etc.)
	Evidence of change in number/quality/frequency of forms of solidarity (mutual support, 'tontines', organization of community works, etc.) among beneficiary households/communities
	<i>Agriculture:</i> <ul style="list-style-type: none"> - Change in percent change in availability of drought/salt-tolerant, certified seeds/crops - Change in hectares of farms with sustainable access to irrigation and drinking water - Change in hectares (ha) of area in project/program area with management plan that integrate climate change considerations
	<i>Infrastructure:</i> <ul style="list-style-type: none"> - Change in km of roads built/rehabilitated according to climate-resistant codes and standards (e.g. raised roads, improved cover materials)

Indicator	
	- Change in number of peoples with access to climate resilient housing and shelter
	<i>Energy Sector:</i>
	- Change in number of energy-related infrastructure integrating climate resilience features
	- Availability of tools to assess climate risks to power plants and other sources of energy
	<i>Coastal Zones:</i>
	- Change in percentage of coastal area with natural buffer zones (e.g. green belts on embankments) to manage sea level rise and extreme storms (hurricanes, cyclones, typhoons)
	<i>Health Sector:</i>
	- Change in response time for national and local emergency response units to extreme climatic events
	- Change in percent in access of population in project/program area to health products mitigating the risks of water-born diseases due to the impacts of climate change
	<i>Others?</i>
Leverage factor of PPCR funding: \$ financing from other sources (contributions broken down by governments, MDBs, other multilateral and bilateral partners, CSOs, private sector)	

29. The number of core indicator reporting for PPCR is significantly higher than for the other programs because of the nature of the PPCR results framework reflecting the complexity of climate resilient development. It is suggested that country teams review carefully the above indicators and report only against the indicators for the sectors which the SPCR is going to address. Other sector core indicators can be ignored. Such an approach will allow the MDBs and the CIF AU to cover the whole range of SPCR operations.

30. These core indicators need to be complemented with data concerning the portfolio development. There is no need for any additional analysis or data mining, project portfolio performance data should be extracted from the MDBs' own project portfolio review system. Basic essential information on the projects/programs including: (i) financial information (commitments, expenditures, contract awards, etc.); (ii) project rating; (iii) thematic and operational priorities; (iv) rating on covenants; and (v) major issues and problems.

31. Based on the project/program reporting, the countries will consolidate the reports in a comprehensive implementation progress report to the PPCR Sub-Committee. The progress report will have to demonstrate how countries are performing in terms of established goals and objectives. The CIF AU will consolidate the reports of the countries and provide feedback to the Sub-Committee within the CIF Annual Report, Semi-Annual reports on PPCR Operations, and occasionally in thematic results reports. Such an approach will ensure that the PPCR Sub-Committee receives updates on the status of the implementation and achievement of results by investment plan at the CIF programmatic level on a regular basis.

32. **LEARNING** - Annual reports to the PPCR Sub-Committee concerning the development of establishing M&E systems are needed. Hence, the MDBs are advised to document the process of setting up the PPCR M&E system in a pilot country and share these country-specific reports with the CIF AU. In addition, MDBs are requested to assist their government counterparts to prepare and share lessons concerning M&E in annual PPCR pilot country meetings.

Monitoring and Evaluation in the SPCR

1. The SPCR should outline the M&E approach. It is expected that the M&E section in the SPCR comprises: (i) a results framework to monitor progress and to provide the basis for evaluating the implementation of the SPCR; (ii) a brief description of the institutional arrangements with assigning roles and responsibilities; and (iii) outlining the resource requirements to establish and manage the M&E approach. The following approach for preparing the M&E section is suggested:

A. Preparation of the results framework

2. The results framework is the more important element of the M&E section. It is key to develop a country/SPCR specific results framework to ensure that the country's own climate resilient development approach can be monitored and henceforth managed.

3. The following steps are recommended:

Step 1: Discuss the need for a PPCR logic model results framework with the pilot country

Step 2: Develop a country-specific PPCR results framework and agree on indicators

Step 3: Establish baselines and targets for the results indicators

B. Institutional and organizational arrangements for SPCR M&E

4. Clear assignments of roles and responsibilities are required to establish an efficient and effective M&E system. Reporting requirements and responsibility need to be mapped out. For the CIF, is key to identify an organization which takes the lead M&E of the SPCR. This can be either a lead ministry, a specialized government agency, a think tank or any other institutional or organizational setting the pilot country would like to consider.

Step 1: Analyze the existing (or non-existing national) M&E system for climate related activities

Step 2: Assess the adequacy of the existing M&E in meeting the requirements in A (preparation of the results framework)

Step 3: Identify gaps and propose measures to address the gaps

Step 4: Propose and agree on the institutional arrangements and responsibility for M&E of PPCR investments/activities.

C. Resource requirements

5. Pilot countries need to identify areas where they may need support in setting up the M&E system. Needs may include technical support, hard and software, and capacity development. It would be very useful to quantify the needs and identify the approach to access these resources. Annex 2 provides an overview of the CIF modalities to cover expenses incurred by the pilot countries and the MDBs.

Financing Mechanisms

A. Preparation of Country-level PPCR M&E Results Frameworks for Inclusion in Strategic Programs for Climate Resilience (SPCR)

Cost Category	Financing Mechanisms
Country costs incurred in completing activities set out in para.12 in the main text.	TA grants to pilot countries for SPCR preparation.
MDB costs for supporting above country-led preparation activities.	CIF administrative budget resources for MDB support to country-led programming of SPCR resources.

B. Preparation of M&E Components in Individual Projects/Programs

Cost Category	Financing Mechanisms
Country costs for detailed development of PPCR M&E components in individual projects/programs contained in the SPCR. This includes (i) preparation of a capacity building project (or project component) designed to support integration of the PPCR M&E results framework (developed under (a) above) in the national M&E system, and (ii) preparation of project/program level PPCR results frameworks/logic models in all SPCR projects/programs.	TA grants to pilot countries for project preparation.
MDB costs for supporting above country-led preparation activities.	Covered under arrangements approved by the SDF TFC on June 23, 2011 (ref. SCF/TFC.7/6, <i>MDB Project Implementation Services under SCF's Targeted Programs: Sources of Funding and Implementation Arrangements</i>) - First payment (50% of the initial estimate of MPIS costs) to be made to MDBs at time of IP endorsement; the second payment (final estimate of MPIS costs less first payment) would be transferred at time of SC approval of proposed project. Payments for MPIS are to be funded out of the reserve funds that have been set aside by the PPCR Sub-Committee in its decision on the allocation of funds pledged to the targeted program.

C. Implementation of M&E Components in Individual Projects/Programs

Cost Category	Financing Mechanisms
<i>Country costs</i> for implementing M&E activities defined in project/program level M&E components	PPCR project grants to pilot countries
<i>MDB costs</i> for supporting and supervising country-led implementation of PPCR M&E components at project/program level	Covered under the provisions approved by the SCF TFC for Payments for MDB Project Implementation Services (MPIS) – see above.

ANNEX II

Core Indicators

CTF
FIP
PPCR
SREP

Table 1: CTF Results Monitoring – DRAFT core indicators

Indicator
Investment Plan level
Energy intensity of GDP (MJ/USD)
Cost per ton of CO ₂ equivalent abated
Project/program level
Tons (millions) of CO ₂ equivalent mitigated and \$ cost per ton
<i>Transport: g CO₂/passenger km</i>
<i>Renewable Energy:</i> Number of MWh generated by RE projects/programs Installed capacity - MW
<i>Energy Efficiency: Energy saved (MJ or TOE)</i>
Leverage factor of CTF funding: \$ financing from other sources (contributions broken down by governments, MDBs, other multilateral and bilateral partners, CSOs, private sector)

Table 2: FIP Results Monitoring – DRAFT core indicators

Indicator
Investment Plan level
Change in hectares of forest cover (by forest cover type) (percentage change over baseline) and resulting GHG emissions (tons of CO ₂)
Change in hectares of forests (by forest cover type) that are degraded (percentage change against baseline) and resulting GHG emissions (tons of CO ₂)
Project/program level
Change in hectares (ha) of forest cover in project/program area
Change in hectares (ha) of forest degraded in project/program area
Change in percent in forest fragmentation in project/program area
Percentage of forest communities in project/program areas with legally recognized land tenure rights
Changes in income of forest communities in project/program areas
Change in percentage of vulnerable households (living at the edge of forest areas at risk) enabled to use forest products in a sustainable manner
Change in percentage of vulnerable households (living at the edge of forest areas at risk) enabled to adopt alternative livelihoods (i.e., outside the use of forest products)
Leverage factor of FIP funding: \$ financing from other sources (contributions broken down by governments, MDBs, other multilateral and bilateral partners, CSOs, private sector)

Table 3: PPCR Results Monitoring – DRAFT core indicators

Indicator	
SPCR level	
Change in number of national-level economic sector and development policies and regulatory frameworks integrate climate resiliency and vulnerability reduction considerations (incl. insurance systems)	
Effective national early warning system (incl. accurate weather forecast and lead time for response)	
Project/program level	
Change in number of institutions/communities in project/program area with knowledge on climate change and response options	
PPCR program/project outcome indicators by economic sector and vulnerable regions (applicability depends on sectors addressed in each SPCR), e.g.:	Change in percentage of households (in areas at risk) whose livelihoods have improved (acquisition of productive assets, food security during particularly sensitive periods of the year, nutrition for < 5 year old children, etc.)
	Evidence of change in number/quality/frequency of forms of solidarity (mutual support, ‘tontines’, organization of community works, etc.) among beneficiary households/communities
	<i>Agriculture:</i> <ul style="list-style-type: none"> - Change in percent change in availability of drought/salt-tolerant, certified seeds/crops - Change in hectares of farms with sustainable access to irrigation and drinking water - Change in hectares (ha) of area in project/program area with management plan that integrate climate change considerations
	<i>Infrastructure:</i> <ul style="list-style-type: none"> - Change in km of roads built/rehabilitated according to climate-resistant codes and standards (e.g. raised roads, improved cover materials) - Change in number of peoples with access to climate resilient housing and shelter
	<i>Energy Sector:</i> <ul style="list-style-type: none"> - Change in number of energy-related infrastructure integrating climate resilience features - Availability of tools to assess climate risks to power plants and other sources of energy
	<i>Coastal Zones:</i> <ul style="list-style-type: none"> - Change in percentage of coastal area with natural buffer zones (e.g. green belts on embankments) to manage sea level rise and extreme storms (hurricanes, cyclones, typhoons)
	<i>Health Sector:</i> <ul style="list-style-type: none"> - Change in response time for national and local emergency response units to extreme climatic events - Change in percent in access of population in project/program area to health products mitigating the risks of water-born diseases due to the impacts of climate change
	<i>Others?</i>
Leverage factor of PPCR funding: \$ financing from other sources (contributions broken down by governments, MDBs, other multilateral and bilateral partners, CSOs, private sector)	

Table 4: SREP Results Monitoring – DRAFT core indicators

Indicator
Country level
Reduction of energy poverty (ESMAP program is developing a methodology to measure this indicator)
Contribution to energy security (share of renewable energy on overall energy production)
Project/program level
Installed capacity (MW)
Electricity generated from renewable energy (MWh)
Number of households/people with access to electricity
Percentage (%) change in number of project beneficiaries with access to energy services from renewable energy
Leverage factor of SREP funding: \$ financing from other sources (contributions broken down by governments, MDBs, other multilateral and bilateral partners, CSOs, private sector)