Climate Investment Funds

SREP/SC.IS.2/8
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Nairobi, Kenya
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Agenda Item 11

PROPOSAL FOR REVISED SREP RESULTS FRAMEWORK

Proposed Decision by SREP Sub-Committee

The Sub-Committee reviewed and approves the *Proposal for revised SREP results framework*, (Document SREP/SC.IS.2/8), and requests countries and the MDBs to prepare for each SREP investment plan and project or program a results framework consistent with the revised SREP framework.

BASIC PRINCIPLES

The application of the SREP results framework (in common with all the results frameworks under the Climate Investment Funds) is based on the following principles:

- **Living document –** The revised SREP results framework is a living document to serve as a basis for moving forward in developing M&E systems for SREP investment plans and related projects and programs.

- **Field testing –** The logic model and results framework comprise a set of assumptions which need to be further tested in light of on the ground experience in the pilot countries. MDBs will need to report progress in field testing to the CIF Administrative Unit on an annual basis. Further revisions of the logic model and the results framework might be needed in light of the experience gained.

- **National monitoring and evaluations (M&E) systems –** The results framework is 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 SREP monitoring and evaluation will be avoided. National systems and capacities will be taken into account when applying the results framework.

- **Flexible and pragmatic approach –** The framework will be applied flexibly and pragmatically taking into account pilot country circumstances. As noted above, the proposed indicators need to be field tested. Country circumstances need to be taken into account in selecting relevant indicators and subsequent reporting. Some indicators might be very costly or time consuming to measure. The results framework embraces the CIF principle of learning - a *trial-and-error learning approach* is explicitly encouraged.

- **Data collection and reporting standards –** In order to be able to aggregate country-level results at the programmatic level (investment plan), a set of core indicators[1] will be measured using compatible methodologies. This is especially true for indicators for the core objectives of the SREP: Reduced energy poverty and increased energy security.

[1] The suggested indicators in table 1 are core indicators. Results frameworks can comprise many other indicators but for the purpose of aggregation and comparison the proposed indicators are recommended for the national M&E systems and the project/program results frameworks.

INTRODUCTION

1. In its meeting in November 2010, the joint Meeting of the CTF-SCF Trust Fund Committees approved the logic model for the Scaling-Up Renewable Energy Program in Low Income Countries (SREP) as a living document with the understanding that it would be revised after field testing. The six pilot countries and the multilateral development banks (MDB) have attempted to apply the approved results framework in developing investment plans (IP) and project/program interventions, but significant difficulties have emerged. Pilot countries and MDBs have expressed that the approved SREP results framework is too ambitious and complex and would benefit from major simplification. The key constraints are:

a) The results chain is unclear; in consequence pilot countries have difficulties to develop their own results chains.

b) There are too many indicators across multiple levels, creating confusion over objectives and raising the transaction cost.

c) Most of the indicators do not correspond to the data/statistics that countries/MDBs collect through existing processes, making it very difficult and costly to establish baselines.

2. In line with the *Proposed Measures to Improve the Operations of the Climate Investment Funds* to enhance the performance of the CIF, the CIF Administrative Unit and the MDBs are proposing a revised SREP logic model and results framework to the SREP Sub-Committee.[2] This proposal is based on (a) an interpretation of the key SREP objectives; (b) an improved understanding of what is possible as part of the development and implementation of a SREP investment plan; (c) recently initiated work on improved energy indicators in support of the Sustainable Energy for All initiative; and (d) consultations with the MDBs and recipient country counterparts.

3. The main purpose of the proposed results framework is to establish a basis for future monitoring and evaluation of the impact, outcomes and outputs of SREP-funded activities. In addition, the proposed results framework is designed to guide pilot countries and MDBs in further developing their own results frameworks to ensure that SREP-relevant results and indicators are integrated in their own monitoring and evaluation (M&E) systems at the country or the project/program level.

4. Section 2 introduces the revised SREP logical model. Based on the logic model, section 3 outlines the proposed SREP results frameworks with result statements and indicators. The last section outlines briefly necessary changes in the project/program documentation to reflect the simplified M&E approach.

[2] See CIF. 2011. *Proposed Measures to Improve the Operations of the Climate Investment Funds*, paragraph 39.

THE REVISED SREP LOGIC MODEL

5. The logic model is a diagram intended to demonstrate the cause and effect chain of results from inputs and activities through to project outputs, program outcomes, and national/international impacts. The logic model is not intended to show how these results will be measured through indicators. One of the strengths of the logic model is the flexibility with which it can be applied to a variety of circumstances and contexts. As with all results frameworks these logic models should not be seen as a blueprint for implementation, but rather a framework that can be adjusted as progress is made and lessons are learnt, especially at the project and country levels of the results chain.

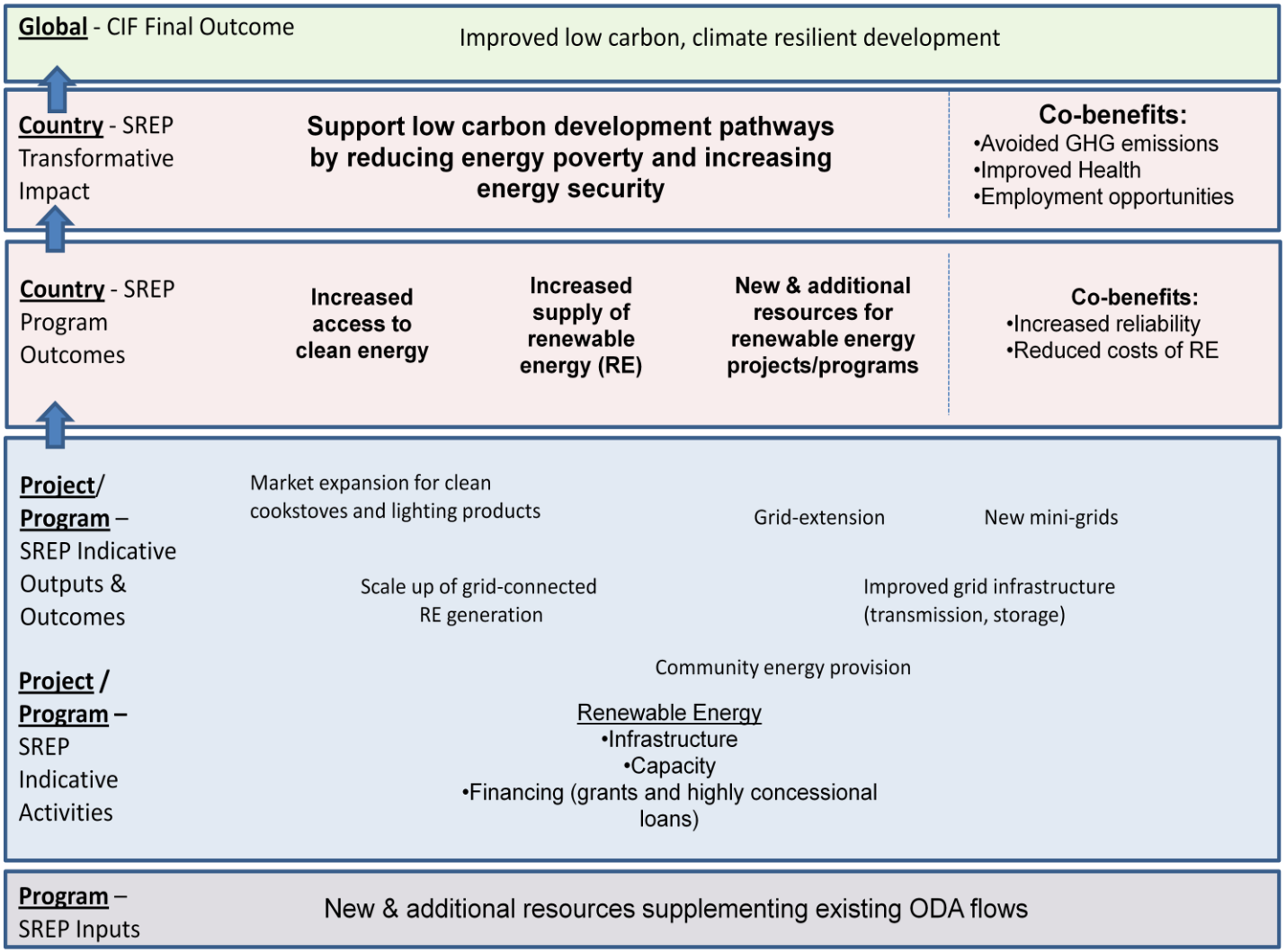
6. The original SREP logic model was approved by the Joint Meeting of the CTF-SCF Trust Fund Committees in November 2010. It is suggested to change the current logic model to give greater focus to the key operational objectives of SREP. Other objectives and co-benefits are incorporated by explicitly stating the assumptions and proxies underlying them, and would be incorporated in any ex-post evaluation of SREP or individual country programs.

7. The stated impact objective for SREP is to *support low carbon development pathways by reducing energy poverty and increasing energy security*. The proposed outcome objectives for SREP are: i) increased access to clean energy; ii) increased supply of renewable energy; and iii) maximize leverage of new and additional resources for renewable energy projects/programs. Because funding to SREP is classified as 'climate finance' by many CIF contributors, investments aimed at increasing access to modern energy services are restricted to renewable energy.[3] This enables contributors to report on GHG emissions avoided if they wish to do so.

8. SREP will contribute to these results through programs and projects that build infrastructure, develop capacity, and provide financing. Investments in renewable energy (RE) infrastructure will increase the supply of electricity and heat from low carbon sources, leading to the avoidance of GHG emissions and increased energy security. It is assumed that programs/projects will, over time, also help improve the reliability and economic viability of renewable energy provision at the country level when compared to conventional energy sources. The outputs in the project/program section are provided as examples of potential investment areas. Investment plans submitted by the SREP pilot countries will have to articulate explicitly the expected results chain for envisaged projects/programs.

[3] See CIF 2010. *SREP Programming Modalities and Operational Guidelines*, paragraphs 20-23.

Figure 1: Logic model – Scaling Up Renewable Energy Program in Low Income Countries (SREP) - REVISED



SREP RESULTS FRAMEWORK

9. The following tables contain the expected results flowing from the logic models and the indicators that are proposed to measure them.

10. The results framework in table 1 summarizes the core elements of the performance measurement system. It combines the results statements with the indicators. The first two columns represent the results statements as stated in the logic model. The results framework outlines the SREP Transformative Impact and the SREP Program Outcomes. The framework does not include project/program outputs, activities, products and services because these are specific to each investment plan. Such an approach emphasizes also the commitment to a managing for development results (MfDR) approach with emphasis on impact and outcomes and the requirement to work within the MDBs' own project/program management approach.

11. The columns three to six represent the indicators for each result. The performance indicators together with the baseline and target column are what the program will use to measure expected results. The targets and baseline are currently available only for a limited number of indicators. The pilot countries and the MDBs have to cooperate closely to fill the gaps. Some of these indicators have very different time frames. Baselines might only be established in the medium-term (1-2 years) and a true impact reporting is probably not possible for a significant time span (10-15 years). The sixth column summarizes some assumptions related to the reliability or validity of the indicators and the difficulties operations might face when addressing these. The last column briefly outlines the means of verification or data source.

Table 1: **Results Framework – Scaling Up Renewable Energy Program in Low Income Countries (SREP) - REVISED**

Results	Explanation of the result statement	Indicators	Baseline	Targets	Assumptions	Means of verification
SREP Transformative Impact (based on governments long term targets for the sector)						
Support low carbon development pathways by reducing energy poverty and increasing energy security	The highest result level desired by SREP is the transformation of the way energy is produced and distributed/ accessed. Increased production of renewable energy (RE) in low income countries is expected to improve energy security. Although there are different definitions of energy security, an increase in domestic supply of RE is generally accepted to increase a country's energy security. Programs and projects will focus on providing access to energy to poor households.	National measure of 'energy poverty' such as the Energy Development Index (EDI) or the Multi-dimensional Energy Poverty Index (MEPI)	EDI or MEPI score where available; where this does not yet exist work will be carried out to obtain a score.	Pilot country defined	The Energy Sector Management Assistant Program (ESMAP) is working closely with the International Energy Agency (IEA) and UNIDO to improve the indicators used to measure energy poverty at the impact level. This will be an iterative process and the results will be incorporated into the SREP results framework as and when international consensus emerges.	IEA Country-based reporting using household survey data
		Percentage (%) of additional energy supply that is from renewable energy sources			Because this indicator does not take account of the current status of energy supply, it puts the emphasis on actions taken from the present onwards.	National statistics agency or energy ministry

Results	Explanation of the result statement	Indicators	Baseline	Targets	Assumptions	Means of verification
SREP Program Outcomes						
1.Increased supply of renewable energy	In order to achieve the transformation to increased energy supply and demand based on RE the economic viability of the RE sector will need to increase. This means that the sector will need to grow in size and provide the benefit of increased employment.	Additional energy output from new RE (GWh)	Country-defined	Country-defined according to investment plan	It should be possible to undertake basic aggregation of GWh produced across countries. GHG emissions avoided can be easily calculated based on the generated GWh (or MW).	Government M&E framework

Results	Explanation of the result statement	Indicators	Baseline	Targets	Assumptions	Means of verification
2.Increased access to modern energy services	SREP aims to improve access to modern energy services in two ways: i) by providing improved access to lighting, clean cooking and other energy services; ii) by increasing the supply of renewable energy to communities that already have access, thereby improving the *quality* of access.[4]	Number of women/men benefiting from improved energy access	Baseline is not required as the result is additional access provision	Country -defined	ESMAP is leading a collaborative effort to define and operationalize a set of improved energy access indicators at the outcome level that can be used for project/program reporting by governments and development agencies. The organizations directly involved in this work include GIZ, Practical Action, UNDP and the World Bank. All projects/programs will be based on RE, including those where access is the primary consideration.	Government M&E framework

[4] To be able to claim energy access benefits from increasing centralized RE supply (i.e. grid-supplied electricity) there would need to be a clear demonstration of causality.

Results	Explanation of the result statement	Indicators	Baseline	Targets	Assumptions	Means of verification
3.New and additional resources for renewable energy projects	The SREP will involve the leveraging of new and additional resources clean production and consumption technologies. This will occur in the context of projects where multiple sources of funding will be leveraged by SREP for particular investments.	Leverage factor of SREP funding; $ financing from other sources (contributions from MDBs, governments, multilaterals and bilaterals, CSOs, private sector)	N/a	Country -defined	Measurement of leveraged resources will be routinely undertaken and aggregated across projects and countries.	Government M&E framework

CONCLUSION

12. The revised results framework is submitted to the SREP Sub-Committee for discussion with the understanding that the results framework needs to be flexible to allow for adjustments based on actual SREP program implementation experience. The framework is based on first experiences of the pilot countries and the MDBs with the implementation of the approved SREP results framework. The investment plan development process in Honduras, Kenya, Mali and Nepal generated a significant debate about the complexity of the approved SREP results framework. A preliminary analysis across the investment plans revealed that most pilot countries do not have the capacity to establish a complex M&E system which would give justice to the full extent of the existing results framework. Hence, the MDBs and the pilot countries propose to simplify the SREP results framework before countries get too advanced in project/program preparation.

13. It is proposed to simplify the SREP results frameworks and reduce the number of indicators from 22 to five indicators. The five indicators cover two M&E levels – transformative impact (two indicators) and catalytic replication outcomes (three indicators). The indicators comprise energy, environmental and development aspects to reflect the expected transformation process in SREP countries. Although there would be fewer indicators, it will still be necessary to test the practicality of the results framework, particularly linking projects/programs with higher level country objectives.

14. As project level outputs and indicators are specific to each project/program, and the priorities of each country that this represents, it is proposed that they are not specified by the SREP results framework. However, project/program documentation will have to explicitly demonstrate how the outputs will help achieve outcomes at the SREP program level (country). Each program will contribute to at least two of the three SREP program outcomes. It will be either RE and/or access to energy and leveraging of new and additional resources. It is recommended that project/program documents submitted for SREP Sub-Committee funding approval comprise a section which clearly articulates the results chain from SREP program outcomes down to project/program expected outputs and if applicable inputs. It is also recommended that project/program documentation explains how the project/program is also seeking pro-actively to promote co-benefits.

15. Avoided GHG emissions as a co-benefit: GHG emissions are closely related to economic development and energy provision. It is expected that SREP investments will help developing countries to continue to grow but at the same time avoid corresponding GHG emission increases – decoupling growth and fossil fuel use. Avoided GHG emissions can be calculated based on the RE output generated by SREP investments using a standardized emissions factor.

16. Health co-benefits: Improved health of women, men and children is also a likely co-benefit of RE investments, particularly for projects/programs targeting household cooking access. RE is also generally characterized by decreased pollution in the form of particulate emissions when compared to traditional biomass and fossil fuels, resulting in fewer respiratory health problems, especially for poor women, men and children.

17. Employment co-benefits: It is expected that RE investments will also have some direct employment co-benefits, both temporary and long-term jobs.

18. Co-benefits are also expected at the SREP catalytic replication outcome level:

19. Reliability as co-benefit: Increased access to renewable energy is expected to improve the overall provision of energy at the country level compared to conventional energy sources. Diversified energy provision sources will make the systems less vulnerable to shocks.

20. Economic viability co-benefits: Economies of scale are expected over time in SREP countries which will have positive impact on the costs of RE. It is expected that generation and provision costs of RE will go down.

21. It is suggested that project/programs outline in the project/program documentation how the project/program might trigger positive development benefits beyond the immediate project outputs. It is expected that key or underlying assumptions about co-benefits are clearly articulated in the project documents so that ex post evaluations can assess the effectiveness. It is also expected that the results framework for each project/program, seeking SREP funding approval, includes at least one indicator which is disaggregated by gender.

22. Pilot countries and the MDBs will report back to the SREP Sub-Committee how the results frameworks have been used to develop comprehensive and programmatic M&E systems and how linkages are established between individual projects/programs and the objectives of the investment plan at the catalytic replication level (country level). Progress reports will be provided to the SREP Sub-Committee twice a year and a final SREP results framework submitted to the SREP Sub-Committee – based on field testing – in May 2013.