

CTF MONITORING AND EVALUATION

Preliminary Guidance Note for CTF Country Teams

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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 Management¹

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

¹Detailed 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.

- 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 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 Table 1).

Table 1: Possible Institutional Arrangements for Managing for Results

<i>Responsibility</i>	<i>Function</i>
Unit or agency within the CTF country with enhanced M&E capacity (lead for development and implementation of the strategic country program) ²	<ul style="list-style-type: none"> - 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. - 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 IPs. - Prepare progress reports on IP implementation to the CTF Trust Fund Committee annually. - Monitor project/program implementation and request regular project performance updates in line with agreed procedures from the relevant government agencies and MDBs.
Sector ministries/private sector arms of the MDBs on behalf of private sector entities	<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 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.
Implementation units (public/private sector – executing agencies, MDBs) for individual CTF funded projects	<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.

² 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.

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;
- 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.³ 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:

³ 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
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 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 CTF 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 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	<p>a) Energy Development Index – EDI Score</p> <p>b) Employment generated (number of jobs created – women/men/poor people) in clean technology / transport</p> <p>c) Energy intensity of GDP (MJ/USD)</p> <p>d) Change in GHG emissions per unit of energy consumed (tCO₂/MJ)</p> <p>e) Percentage change (%) in electricity coverage in rural areas</p>	<p>OECD/ IEA – World Energy Outlook</p> <p>Qualitative and quantitative study across CIF pilot countries</p> <p>National Statistics/ National GHG emissions monitoring</p>
1. Increased investment in clean production and consumption technologies	<p>a) Percentage change (%) and total figure of low carbon investment of total energy sector investments – government</p> <p>b) Percentage change (%) and total figure of low carbon investment of total energy sector investments – private sector</p>	New Energy Finance Ltd. / Bloomberg country database
2. Strengthened enabling environment for clean production and consumption technology	<p>a) Degree to which the policy/ regulatory environment is supportive of clean technology for all</p> <p>b) Degree to which national energy and major city urban transport plans of CTF countries take into account clean technology</p> <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 <p>c) Quality of participatory planning process (as assessed by private sector, CSOs, and other stakeholders)</p>	<p>Qualitative study across CTF pilot countries</p> <p>Data of the REN21 reports</p> <p>Stakeholder surveys</p>
3. Low carbon technologies proven at scale	<p>a) Change in cost / unit of production over time; fossil fuels versus renewable energy</p> <p>b) Cost per ton of CO₂ equivalent abated</p>	<p>National Statistics</p> <p>In-depths study across the CTF pilot countries</p>
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 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 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

Step	Activity	Expected output	Lead	Support
5	Develop a detailed M&E plan for the implementation of the project/program and submit M&E plan for MDB Committee approval	M&E Plan	Implementing entity/agency	MDB
6	Share lessons with other projects/programs in assessing and establishing M&E systems. 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 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 vehicle kilometers travelled using	g CO ₂ /passenger km	Project M&E

Results	Indicators	Means of Verification
low carbon modes of transportation		
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 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 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	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 / DSM projects/programs	Project M&E
(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	Leverage factor of CTF funding (by level of	Project M&E

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

a) 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. It is suggested that country teams review careful 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.

24. 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.

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

Indicator	Baseline	Target
Investment Plan level		
Energy intensity of GDP (MJ/USD)		
Cost per ton of CO ₂ equivalent abated		
Employment generated (number of jobs created – women/men/poor people) in clean technology / transport		
Project/program level		
Tons (millions) of CO ₂ equivalent mitigated and \$ cost per ton		
<i>Transport</i> : g CO ₂ /passenger km		
<i>Renewable Energy</i> :		
<ul style="list-style-type: none"> • Number of MWh generated by RE projects/programs • Installed capacity - MW 		
<i>Energy Efficiency</i> :		
<ul style="list-style-type: none"> • Energy saved (MJ or TOE) 		
Leverage factor of CTF funding: \$ financing from other sources (contributions broken down by governments, MDBs, other multilateral and bilateral partners, CSOs, private sector)		

25. 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.

26. **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

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

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.

The following steps are recommended:

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

Step 2: Develop a country-specific CTF 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

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 CTF, 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 GHG mitigation 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

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
<p>Country costs for implementing M&E activities defined in project/program level M&E components</p>	<p>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.</p>
<p>MDB costs for supporting and supervising country-led implementation of CTF M&E components at project/program level</p>	<p>As per provisions set out under B above.</p>