

## SREP MONITORING AND EVALUATION

### Preliminary Guidance Note for SREP Country Teams

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## **SREP MONITORING AND EVALUATION**

### **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 frameworks<sup>1</sup>; 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

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<sup>1</sup> 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.

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:

**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 Management<sup>2</sup>

- 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.

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>
Unit or agency within the pilot country with enhanced M&E capacity (lead for development and implementation of the strategic country program) <sup>3</sup>	<ul style="list-style-type: none"> <li>- Coordinate the integration of the SREP results framework into the national M&amp;E system and ensure that M&amp;E arrangements are reflected in the investment plan document submitted for SREP Sub-Committee review and approval.</li> <li>- Monitor or assess the catalytic replication indicators.</li> <li>- Manage the assessment of current M&amp;E capacity and gap analysis in terms of baselines, targets, technology (IT support) and HR capacity.</li> <li>- Manage the progress reporting in implementing the IPs.</li> <li>- Prepare progress reports on IP implementation to the Trust Fund Committees/Sub-Committees annually.</li> <li>- Monitor project/program implementation and request regular project performance updates in line with agreed procedures from the relevant government agencies and MDBs.</li> </ul>
Sector ministries/private sector arm of the MDBs on behalf of private sector entities	<ul style="list-style-type: none"> <li>- Manage the M&amp;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.</li> </ul>

<sup>2</sup> 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.

<sup>3</sup> 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.

<i>Responsibility</i>	<i>Function</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
Implementation units (public/private sector – executing agencies, MDBs) for individual SREP funded projects	- 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.

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 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.<sup>4</sup> 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</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 SREP 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&amp;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 SREP 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 SREP 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&amp;E systems.</i> Pilot	Learning from experiences	Government/ regional	MDB

<sup>4</sup> 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
	countries should document the process of establishing SREP M&E systems and share these lessons with stakeholders within and outside the SREP pilot countries.		institutions (if applicable): SREP coordination unit with implementing entities	

### 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 <sup>5</sup>	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”	Household surveys IEA annual updates
	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)	
<b>B.SREP Catalytic Replication Outcomes</b>		
B1. Increase in renewable energy investments	a) Percentage (%) of RE investment of total energy sector investment	New Energy Finance Ltd. / Bloomberg country database
	b) Percentage (%) of private sector RE investments of total energy investments	Country level M&E

<sup>5</sup> 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
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&amp;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&amp;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&amp;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

#### a) 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 <sub>2</sub> – eq at \$ cost per ton	Country level M&E

Results	Indicators	Data source
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	Project M&E
	b) Number of non-SREP countries replicate SREP project approach (e.g., investment documents citing SREP pilot project documents)	CIF AU – qualitative assessment
	c) Evidence of use	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	Project M&E
	b) Number of non-SREP countries replicate SREP project approach (e.g., investment documents citing SREP pilot project documents)	CIF AU – qualitative assessment
	c) Evidence of use	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.

**a) 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	Baseline	Target
<b>Country level</b>		
Cost of renewable energy \$/MWh compared to cost of fossil fuels \$/MWh		
Increase in percentage (%) of total energy supply from renewable energy in the power industry and in the energy sector		
<b>Project/program level</b>		
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 (women/men)		
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**

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 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**

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**

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
<b>Country costs</b> incurred in completing activities set out in para.12 in the main text.	TA grants to pilot countries for IP preparation.
<b>MDB costs</b> 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
<b>Country costs</b> 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.
<b>MDB costs</b> 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
<b>Country costs</b> for implementing M&E activities defined in project/program level M&E components	SREP project grants to pilot countries
<b>MDB costs</b> 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.