

## PROGRAM AND PROJECT CYCLES

Insights from Session 4, Breakout Group 3 of the TCLP 2021 May Virtual Workshop, *Transformational Change and Climate Finance: Moving from Emerging Concepts to Advanced Practices*

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Featuring **Raúl Delgado**, Inter-American Development Bank, and **Matthew Harris**, Climate Investment Funds

On May 25-26, 2021, hundreds of people from 57 countries came together in a virtual workshop organized by Climate Investment Funds' (CIF) Transformational Change Learning Partnership (TCLP). Workshop participants engaged in multiple forums to tackle questions related to how practitioners can catalyze and contribute to the transformational change that is imperative to achieving an inclusive, climate neutral, resilient, and sustainable world. During the fourth and final session of the workshop, participants selected one of five breakout groups to dive deeper into a particular area of work and what it will take to advance transformational practice and impact: 1) Long-term Planning and Programmatic Approach; 2) Systems and Actor Mapping; 3) Integrating Transformation in the Project Cycle; 4) Evaluative Practice; and 5) Building Capacity for Transformation. This document summarizes key insights, resources, and opportunities to advance transformational change from concept to practice using Program and Project Cycle approaches identified in the group's discussion.

### Key Insights on Program and Project Cycles Towards Transformational Change

Raúl Delgado discussed how IDB is incorporating transformational change upstream in program design and long-term planning activities, indicating that such upstream work is vital for enabling teams to consider transformational change in specific project cycles ([link to presentation slides](#)). Matthew Harris then outlined ways in which CIF and multilateral development banks (MDBs) are operationalizing considerations of transformational change to achieve long-term climate goals—including challenges like aligning project-level stakeholders, revising entrenched practices, and tracking interim outcomes toward long-term transformational goals. Key insights from the session include:

#### 1. Long-term planning is critical to ensuring that specific projects contribute to transformational change.

- Transformational change is a long-term process engaging many sectors and stakeholders; it is best addressed through long-term national and sectoral planning and development strategies and can be a helpful framework for long-term visioning.
- Contributions to transformational change are more likely to be built into design and implementation if projects are developed in the context of long-term plans and strategies.

- Although it can be difficult to build transformational change retroactively into investment plans, there may still be entry points to do so when projects are being revisited or refined.
- Projects with larger scale investment and blended finance offer particularly good opportunities to advance transformational change due to their ability to bring attention to systemic changes and scaling pathways.

**2. There can be many contextual barriers to considering transformational change in project cycles; these should be mapped and addressed as part of long-term planning.**

- Many institutional issues can work against considering transformational change in the project cycle, such as bureaucratic silos and inadequate capacity that prevent working across sectors and issues.
- Vested interests or incumbents who do not want to change can also prevent transformational change; transformational change can be difficult to make relevant to the private sector because it often is more about enhancing public goods.
- Some barriers can be counteracted by shifting incentives (e.g., innovation awards, cross-program comparisons).
- Understanding and mapping systems and potential barriers to transformational change can help identify where challenges may exist and can be mitigated.

**3. It is important to build local capacity for understanding transformational change and analyzing how specific programs or projects can contribute to it.**

- Improving technical capacities for project design and implementation can help bring transformational change considerations into project design and implementation. Relevant tools and skills include greenhouse gas accounting, climate risk assessment, and methods for valuing externalities in cost benefit analysis (e.g., carbon price).
- While many tools exist, project implementers may not be aware of them, know how to identify those most relevant, or know how to use them effectively. Knowledge resources can be hard to adapt to specific contexts and institutions where there are entrenched practices or requirements.
- MDBs and related institutions can play an important role in providing technical assistance and assisting with organizational change.

**4. Traditional monitoring and evaluation systems are often inadequate for valuing and tracking the contribution of programs and projects to transformational change.**

- Contribution to large-scale, long-term transformational change is often not considered in routine monitoring and evaluation, so these benefits go unassessed and unvalued.
- Even when transformational change is considered, it is often difficult to identify interim progress that can be assessed during standard project implementation and assessment periods.
- Practices like flexibility in reporting, gathering evidence of 'signals' of change, considerations of changing project context, and consistency between project and program M&E systems can help increase understanding of projects' contribution to transformation change.
- Consistency of monitoring and evaluation terminology, frameworks, and templates across donors, climate funding mechanisms, and funding agencies would be useful.

## **Opportunities to Advance Practices Towards Transformational Change**

There are opportunities to develop resources, support experimentation, and catalyze learning that supports transformational change through climate action, including:

- Take advantage of transformational change conceptual frameworks as an entry point to plan the sought change within the project cycle.
  - Disseminate these frameworks among global partners, such as MDBs and public finance agencies, and create space to discuss and support them when integrating transformational change concepts into project design.
  - Dedicate time to align transformational change language and terminologies among diverse initiatives to lower the entry barrier to this knowledge.
- Work with project implementers to include guidelines for transformational change in the monitoring and evaluation systems that are integrated into the programs.
- Explore and pilot transformational change analysis alternatives upon project completion.
  - Gather resources among TCLP community or possibly conduct a webinar on project cycle analysis (ex-ante and ex-post).
- Strengthen communication among donors, project implementers, and beneficiaries to ensure common priorities towards transformational change. Blended finance and accumulated knowledge are useful pathways to champion transformational change and to channel a more equitable distribution of funds.

## Program and Project Cycles Resources

- The World Bank, [World Bank Project Cycle](#)
- ADB, IDB, CIF. [Designing for Transformation: A Practice-Oriented Toolkit for Mainstreaming Transformational Change in Program and Project Preparation Processes](#). October 2019.
- CIF, [Global Energy Storage Program Monitoring and Reporting Toolkit](#)

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## More Information

The insights and opportunities captured in this document reflect ongoing efforts by the TCLP to use research, analysis, expert opinion, and collaborative discussion to advance transformational change when designing, implementing, monitoring, evaluating, and learning from climate investments. For more information, please visit the TCLP website.

