

TRANSFORMATIONAL CHANGE GUIDANCE QUESTIONS

CIF aims to drive transformational change across all of its funded programs and activities. Transformational change is embedded into the CIF’s program design, investment criteria, results frameworks, and evaluations. This document provides a set of questions for thinking through the design, implementation, monitoring, and evaluation of interventions focused on advancing transformational change in climate action. The questions were developed based on the definitions of the dimensions of transformational change, as well as questions developed by TCLP participants during the TCLP May 2021 Virtual Workshop.

The transformational change guidance questions are designed to help users consider how an intervention may advance transformational change through the five dimensions. Because the dimensions are interdependent, answers to questions related to one dimension will often take other dimensions into consideration.

Transformational Change Guidance Questions

Potential for transformational change

Transformational change requires attention to five dimensions – Relevance, Systemic Change, Speed, Scale, and Adaptive Sustainability. The specific emphasis and significance of these dimensions are context dependent. Ultimately attention to these dimensions should support fundamental system change, with large-scale positive impacts, that shift and accelerate the trajectory of progress toward climate-neutral, inclusive, resilient, and sustainable development pathways. The following descriptions and questions should guide the initial assessment, design, implementation, and evaluation of programs and projects for transformational climate action. The ‘what’ questions below pertain to what the change needs to be, while the ‘how’ questions pertain to how the change is brought about.

Relevance

Each program/project proposed for CIF financing shall demonstrate Relevance to advancing the strategic objectives and transformational change goals through the alignment of context, goals, and action. Programs/projects will consider the alignment of context, goals, and action.

What **What are the fundamental changes and large-scale positive impacts relevant to climate action that need to be brought about within a specific context?**

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| How | <p>Context: How is the intervention relevant to the context including, existing opportunities, assets, barriers to change, and complementary existing efforts?</p> <p>Alignment: How does the intervention align with and integrate relevant social, economic, and environmental goals and impacts such as equity and inclusion, just transitions, sustainable development, and ecological integrity?</p> |
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Proposed action: How is the intervention logic relevant to the fundamental change and transformational impacts planned for? What is the theory of change?

Systemic change

Each program/project proposed for CIF financing shall demonstrate how it will lead to fundamental shifts in the structures and functions of relevant systems for transformational change by identifying and defining strategic systems, removing entrenched barriers, opening new opportunities or pathways, and shifting of power dynamics within and between key systems. This requires a process to identify the most strategic systems. Within those systems, the most significant barriers to transformational change will need to be addressed, and opportunities for change will need to be identified.

What **What are the systems where change is needed and what change is required between and within these systems?**

How **Systems:** How has the system, including system boundaries, been identified and defined?
Barriers and Pathways: How does the intervention remove entrenched barriers and open new pathways for systemic changes?
Power: How does the intervention elevate the influence of beneficiaries and other stakeholders, including marginalized and vulnerable groups?

Speed

Each program/project proposed for CIF financing shall demonstrate how it will balance the speed of change required by the urgency of addressing climate change, while considering the time required for inclusivity and addressing system complexities.

What **What will it take to achieve the transformational change goal in a timeframe that aligns with the urgency and complexity of the climate crisis?**

How **Acceleration:** How does the intervention accelerate progress towards the transformational change goal?
Complexity and Inclusivity: How does the intervention use safeguards, impact assessments, and socially inclusive processes to ensure adequate engagement with complex and contested issues associated with transformational change?

Scale

Each program/project proposed for CIF financing shall demonstrate how it will seek to deliver contextually large-scale impacts, such as explicit strategies for enabling subsequent scale-up or replication of the CIF-funded intervention and wider sustainability impacts. This may involve a combination of vertical (e.g., policy/ implementation), horizontal (e.g., numbers or geographic spread) and depth (e.g., understanding and support) scaling pathways within and beyond the intervention.

What **What contextually large changes need to be scaled within and beyond the project intervention?**

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| How | Vertical scaling: How does the intervention support scaling pathways within and across policy and implementation processes? Horizontal scaling: How does the intervention expand the number of people or geographic areas engaged with or benefitting from the transformational change? Depth scaling: How does the intervention deepen understanding of and support for transformational change? |
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Adaptive sustainability

Each program/project proposed for CIF financing shall demonstrate how it will seek to deliver transformational changes that are resilient and lasting over the long-term, after concessional finance support is terminated, as well as adaptive to evolving contexts. This involves building capacity in relevant stakeholders and institutions. Interventions should enable experimentation and flexibility to learn and course correct during and after implementation. Programs should also support resilience from backsliding. These processes should progressively build, refine, and retain climate-neutral, inclusive, resilient, and sustainable development pathways.

What **What relevant changes are sustained and advanced beyond the intervention?**

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| How | Capacity: How does the intervention build the capacity of stakeholders and institutions to advance and sustain change? Flexibility: How does the intervention enable experimentation and flexibility, including the ability to learn and course correct when necessary? Resilience: How does the intervention insulate change from backsliding due to endogenous and exogenous pressures or shock and enable recovery when required? |
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Renewable Energy Integration

Potential for transformational change

Transformational change requires attention to five dimensions – Relevance, Systemic Change, Speed, Scale, and Adaptive Sustainability. The specific emphasis and significance of these dimensions are context dependent. Ultimately attention to these dimensions should support fundamental system change, with large-scale positive impacts, that shift and accelerate the trajectory of progress toward climate-neutral, inclusive, resilient, and sustainable development pathways. The following descriptions and questions should guide the initial assessment, design, implementation, and evaluation of REI programs and projects for transformational climate action. The ‘what’ questions below pertain to what the change needs to be, while the ‘how’ questions pertain to how the change is brought about.

Relevance

Each program/project proposed for CIF financing shall demonstrate Relevance to advancing the strategic objectives and transformational change goals of CIF RE Integration through the alignment of context, goals, and action. Programs/projects will consider the alignment of context (e.g., environmental stress, technology/finance challenges, economic development, social justice, policies, etc.), goals (e.g., REI program strategic objectives, national development plans, low-emission goals and commitments, etc.), and action (e.g., specific programs, projects, etc.). This may include, for example, investments in technologies, infrastructure, electrification and demand management or market design and system operations improvement in alignment with countries’ NDCs and/or other energy transition or national development priorities, including as related to social inclusion; creating or leveraging specific market and technology opportunities; and ensuring coherence with other relevant partners, stakeholders, and investments.

What **What are the fundamental changes and large-scale positive impacts relevant to Renewable Energy Integration (REI) in this context that we wish to bring about?**

How **Context:** How is the intervention relevant to REI in this context, including existing assets, barriers to change, and complementary existing efforts?

Alignment: How does the intervention align with the strategic objectives and expected development impacts of REI including national development plans and GHG emission reductions commitments, greater equity and inclusion, just transitions, sustainable development, and ecological integrity?

Proposed action: How is the intervention logic relevant to the fundamental change and transformational impacts required for, and resultant from, renewable energy integration?

Systemic change

Each program/project proposed for CIF financing shall demonstrate how it will lead to fundamental shifts in the structures and functions of renewable energy integration system by identifying and defining strategic systems, removing entrenched barriers, opening new opportunities or pathways, and shifting of power dynamics within and between key systems. This requires a process (e.g., systems mapping, market studies, stakeholder consultations, etc.) to identify the most strategic RE systems (e.g., national, regional, and local power grids, legal and regulatory frameworks, commercial and financial markets, technology systems, governance systems, financial and market systems, social systems, and ecosystems). Within those systems, the most significant barriers to RE integration (e.g., institutional, regulatory and policy failures; market failures and financial barriers; knowledge and technical capacity barriers) will need to be addressed, and opportunities (e.g., through new business models, supportive policy and regulatory frameworks, and improved risk perception) for change will need to be identified.

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| What | What are the systems where change is needed and what change is required between and within these systems to achieve REI? |
| How | Systems: How has the system, including system boundaries, related to REI been identified and defined)? Barriers and Pathways: How does the intervention remove entrenched barriers and open new pathways for the systemic change required to ensure REI? Power: How does the intervention elevate the influence of beneficiaries and other stakeholders, including marginalized and vulnerable groups, to contribute to and benefit from REI? |

Speed

Each program/project proposed for CIF financing shall demonstrate how it will balance the speed of change required by the urgency of addressing climate change, while considering the time required for inclusivity and addressing system complexities. Accelerating the energy transition requires identifying and overcoming barriers to change while simultaneously identifying and enhancing enabling conditions (e.g., policy coherence, strategic planning, individual and institutional capacity, access to technology and funding).

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| What | What will it take to achieve REI in a timeframe that aligns with the urgency and complexity of the climate crisis? |
| How | Acceleration: How does the intervention accelerate progress towards REI? Complexity and Inclusivity: How does the intervention use safeguards, impact assessments, and socially inclusive processes to ensure adequate engagement with complex and contested issues associated with REI? |

Scale

Each program/project proposed for CIF financing shall demonstrate how it will seek to deliver contextually large-scale impacts, such as explicit strategies for enabling subsequent scale-up or replication of the CIF-funded intervention and wider sustainability impacts. This may involve a combination of vertical (e.g., policy/ implementation, such as national budgets for community off-grid solar projects, etc.), horizontal (e.g., numbers or geographic spread, such as reach of technologies for real-time grid management and electrification of different sectors, number of new jobs, volume of variable renewable energy in the power system, and geographical reach of energy systems) and depth (e.g., understanding and support, such as demand for renewable sources of energy, mobilization of private investment, etc.) scaling pathways within and beyond the intervention.

| What | What contextually large changes need to be scaled within and beyond the project intervention? |
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| How | Vertical scaling: How does the intervention support scaling within and across policy and implementation processes associated with REI? Horizontal scaling: How does the intervention expand the number of people/ institutions or geographic areas engaged with or benefitting from REI? Depth scaling: How does the intervention deepen understanding of and support for REI? |

Adaptive sustainability

Each program/project proposed for CIF financing shall demonstrate how it will seek to deliver transformational changes that are resilient and lasting over the long-term, after concessional finance support is terminated, as well as adaptive to evolving contexts. This involves building capacity (e.g., to understand, formulate, implement, maintain, and monitor climate strategies and activities) in relevant stakeholders and institutions. Interventions should enable experimentation (e.g., of new technologies, policies, and business models) and flexibility to learn and course correct during and after implementation. Programs should also support resilience from backsliding (e.g., creating demand for renewable energy through job creation and awareness building, development/support of environmental CSOs, budgeting support, etc.). These processes should progressively build, refine, and retain climate-neutral, inclusive, resilient, and sustainable development pathways.

| What | What changes related to REI, and the broader energy transition, are sustained and advanced beyond the intervention? |
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| How | Capacity: How does the intervention build the capacity of stakeholders and institutions to advance and sustain REI and a broader energy transition? Adaptability: How does the intervention enable experimentation and flexibility, including the ability to learn and course correct when necessary? Resilience: How does the intervention insulate REI from backsliding due to endogenous and exogenous pressures or shock and enable recovery when required? |

Nature, People, Climate

Potential for transformational change

Transformational change requires attention to five dimensions – Relevance, Systemic Change, Speed, Scale, and Adaptive Sustainability. The specific emphasis and significance of these dimensions are context dependent. Ultimately attention to these dimensions should support fundamental system change, with large-scale positive impacts, that shift and accelerate the trajectory of progress toward climate-neutral, inclusive, resilient, and sustainable development pathways. The following descriptions and questions should guide the initial assessment, design, implementation, and evaluation of Nature, People, Climate (Nature Solutions) programs and projects for transformational climate action. The ‘what’ questions below pertain to what the change needs to be, while the ‘how’ questions pertain to how the change is brought about.

Relevance

Each program/project proposed for CIF financing shall demonstrate Relevance to advancing the strategic objectives and transformational change goals of CIF Nature, People, Climate through the alignment of context, goals, and action. Programs/projects will consider the alignment of context (e.g., environmental stress, land use policies, social justice, technology/finance challenges, economic development, etc.), goals (e.g., NPC program strategic objectives, existing low-emissions and/or climate-resilient rural development plans, etc.), and action (e.g., specific programs, projects, etc.). This may include, for example, investments in nature-based solutions to address agriculture, forestry, biodiversity, food security, social inclusion, economic growth, and poverty alleviation, including as related to and ensuring coherence with other relevant partners, stakeholders, and investments.

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| What | What are the fundamental changes and large-scale positive impacts, relevant to nature, people, and climate (Nature Solutions) in this context, that we wish to bring about? |
| How | Context: How is the intervention relevant to Nature Solutions in this context including, existing assets, barriers to change, and complementary existing efforts? Alignment: How does the intervention align with the strategic objectives and expected development impacts of Nature Solutions including sustainable livelihoods, ecological restoration, greater equity and inclusion, just transitions, and sustainable development? Proposed action: How is the intervention logic relevant to the fundamental change and transformational impacts required for, and resultant from, Nature Solutions? What is the theory of change? |

Systemic change

Each program/project proposed for CIF financing shall demonstrate how it will lead to fundamental shifts in the structures and functions of Nature Solutions/sustainable land use systems by identifying and defining strategic systems, removing entrenched barriers, opening new opportunities or pathways, and shifting of power dynamics within and between key systems. This requires a process (e.g., systems mapping, market studies, stakeholder consultations, etc.) to identify the most strategic land use systems (e.g., legal and regulatory frameworks, commercial and financial markets, technology systems, governance systems, social systems, and ecosystems related to agriculture, forestry, water, etc.). Within those systems, the most significant barriers to Nature Solutions (e.g., competing land use interests; institutional, regulatory, and policy failures; market failures and financial barriers; knowledge and technical capacity barriers) will need to be addressed, and opportunities (e.g., through coalitions of support, new land use models, supportive policy and regulatory frameworks, etc.) for change will need to be identified.

What **What are the systems where change is needed and what change is required between and within these systems to achieve fundamental shifts in the use of land and other natural systems?**

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| How | <p>Systems: How has the system, including system boundaries, related to Nature Solutions been identified and defined (e.g., systems mapping, market studies, stakeholder consultations, etc.)?</p> <p>Barriers and Pathways: How does the intervention remove entrenched barriers (e.g., competing land use interests; institutional, regulatory, and policy failures; market failures and financial barriers; knowledge and technical capacity barriers) and open new pathways for the systemic change required to ensure Nature Solutions?</p> <p>Power: How does the intervention elevate the influence of beneficiaries and other stakeholders, including marginalized and vulnerable groups, to contribute to and benefit from Nature Solutions?</p> |
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Speed

Each program/project proposed for CIF financing shall demonstrate how it will balance the speed of change required by the urgency of addressing climate change, while considering the time required for inclusivity and addressing system complexities. Accelerating changes in the use of land and other natural systems requires leveraging a variety of flexible financial and non-financial instruments in a timely way, while also taking the time to ensure different needs and ambitions can be voiced and considered to articulate a shared vision and define a roadmap for implementation.

What **What will it take to achieve Nature Solutions in a timeframe that aligns with the urgency and complexity of the climate crisis?**

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| How | <p>Acceleration: How does the intervention accelerate progress towards Nature Solutions?</p> <p>Complexity and Inclusivity: How does the intervention use safeguards, impact assessments, and socially inclusive processes to ensure adequate engagement with complex and contested issues associated with sustainable land use?</p> |
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Scale

Each program/project proposed for CIF financing shall demonstrate how it will seek to deliver contextually large-scale impacts, such as explicit strategies for enabling subsequent scale-up or replication of the CIF-funded intervention and wider sustainability impacts. This may involve a combination of vertical (i.e., policy/implementation, such as national budgets for community projects, etc.), horizontal (i.e., numbers or geographic spread, such as reach of climate-resilient agricultural technologies/approaches, use of data-driven spatial planning tools, number of new jobs, and geographical area of land being sustainably managed) and depth (i.e., understanding and support, such as a shared vision for land use, etc.) scaling pathways within and beyond the intervention.

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| What | What contextually large changes need to be scaled within and beyond the project intervention? |
| How | Vertical scaling: How does the intervention support scaling within and across policy and implementation processes associated with Nature Solutions? Horizontal scaling: How does the intervention expand the number of people/ institutions or geographic areas engaged with or benefitting from Nature Solutions? Depth scaling: How does the intervention deepen understanding of and support for Nature Solutions? |

Adaptive sustainability

Each program/project proposed for CIF financing shall demonstrate how it will seek to deliver transformational changes that are resilient and lasting over the long-term, after concessional finance support is terminated, as well as adaptive to evolving contexts. This involves building capacity (e.g., to understand and influence land use and climate resilience strategies and activities) in relevant stakeholders and institutions. Interventions should enable experimentation (e.g., of new policies, business models, market approaches, and technologies) and flexibility to learn and course correct during and after implementation. Programs should also support resilience from backsliding (e.g., creating demand for sustainable land use, building relationships across sectors, budgeting support, etc.). These processes should progressively build, refine, and retain climate-neutral, inclusive, resilient, and sustainable development pathways.

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| What | What changes related to Nature Solutions, and broader sustainable development, are sustained and advanced beyond the intervention? |
| How | Capacity: How does the intervention build the capacity of stakeholders and institutions to advance and sustain Nature Solutions and broader sustainable development? Adaptability: How does the intervention enable experimentation and flexibility, including the ability to learn and course correct when necessary? Resilience: How does the intervention insulate Nature Solutions from backsliding due to endogenous and exogenous pressures or shock and enable recovery when required? |

Accelerating Coal Transition (ACT)

Potential for transformational change

Transformational change requires attention to five dimensions – Relevance, Systemic Change, Speed, Scale, and Adaptive Sustainability. The specific emphasis and significance of these dimensions are context dependent. Ultimately attention to these dimensions should support fundamental system change, with large-scale positive impacts, that shift and accelerate the trajectory of progress toward climate-neutral, inclusive, resilient, and sustainable development pathways. The following descriptions and questions should guide the initial assessment, design, implementation, and evaluation of ACT programs and projects for transformational climate action. The ‘what’ questions below pertain to what the change needs to be, while the ‘how’ questions pertain to how the change is brought about.

Relevance

Each program/project proposed for CIF financing shall demonstrate Relevance to advancing the strategic objectives and transformational change goals of CIF ACT through the alignment of context, goals, and action. Programs/projects will consider the alignment of context (e.g., environmental stress, technology/finance challenges, economic development, social justice, policies, etc.), goals (e.g., ACT program strategic objectives, national development plans, low-emission goals and commitments, etc.), and action (e.g., specific programs, projects, etc.). This may include, for example, enhanced governance through policy alignment and implementation capacity for a coal-to-clean transition; social protection and improvement through job and livelihood creation and skills development; and infrastructure enhancements that may involve decommissioning or repurposing of mines and power plants, and restoring local environments.

What **What are the fundamental changes and large-scale positive impacts relevant to Accelerating the Coal Transition (ACT) that we wish to bring about?**

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| How | <p>Context: How is the intervention relevant to the context, with reference to existing assets, barriers to change, and complementary existing efforts related to governance, people, and infrastructure?</p> <p>Alignment: How does the intervention align with the strategic objectives and expected development impacts of ACT including relevant governance, social, economic, technological, and environmental goals and impacts such as equity and inclusion, just transitions, sustainable development, and ecological integrity?</p> <p>Proposed action: How is the intervention logic relevant to the fundamental change and transformational impacts required for, and resultant from, an accelerated coal transition?</p> |
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Systemic change

Each program/project proposed for CIF financing shall demonstrate how it will lead to fundamental shifts in the structures and functions of relevant systems for transformational change by identifying and defining strategic systems, removing entrenched barriers, opening new opportunities or pathways, and shifting of power dynamics within and between key systems. This requires a process (e.g., stakeholder consultations, social and economic planning, technology reviews etc.) to identify the most strategic coal-based systems (e.g., power stations, coal mines, legal and regulatory frameworks, commercial and financial markets, technology systems, governance systems, related social systems, and ecosystems). Within those systems, the most significant barriers to accelerating the coal transition (e.g., institutional, regulatory and policy failures; market failures and financial barriers; knowledge and technical capacity barriers) will need to be addressed, and opportunities (e.g., through economic diversification, supportive policy and regulatory frameworks, and improved risk perception) for change will need to be identified.

What **What are the governance, social, and technological systems where change is needed and what change is required between and within these systems to achieve an accelerated coal transition?**

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| How | <p>Systems: How has the system, including system boundaries, related to coal been identified and defined (e.g., systems mapping, market studies, stakeholder consultations, etc.)?</p> <p>Barriers and Pathways: How does the intervention remove entrenched barriers and open new pathways for systemic changes that accelerate a transition from coal towards cleaner sources of energy?</p> <p>Power: How does the intervention elevate the influence of beneficiaries and other stakeholders, including marginalized and vulnerable groups, to contribute to and benefit from an accelerated coal transition?</p> |
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Speed

Each program/project proposed for CIF financing shall demonstrate how it will balance the speed of change required by the urgency of addressing climate change, while considering the time required for inclusivity and addressing system complexities. Accelerating the energy transition requires identifying and overcoming barriers to change while simultaneously identifying and enhancing enabling conditions (e.g., policy coherence, strategic planning, individual and institutional capacity, access to technology and funding).

What **What will it take to achieve a transition away from coal in a timeframe that aligns with the urgency and complexity of the climate crisis?**

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| How | <p>Acceleration: How does the intervention accelerate progress away from coal and towards cleaner sources of energy?</p> <p>Complexity and Inclusivity: How does the intervention use safeguards, impact assessments, and socially inclusive processes to ensure adequate engagement with complex and contested issues associated with the coal transition?</p> |
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Scale

Each program/project proposed for CIF financing shall demonstrate how it will seek to deliver contextually large-scale impacts, such as explicit strategies for enabling subsequent scale-up or replication of the CIF-funded intervention and wider sustainability impacts. This may involve a combination of vertical (e.g., governance, policy/ implementation), horizontal (e.g., numbers or geographic spread) and depth (e.g., understanding, support, and capacity) scaling pathways within and beyond the intervention.

| What | What contextually large changes need to be scaled within and beyond the project intervention? |
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| How | Vertical scaling: How does the intervention support scaling pathways within and across policy and implementation processes needed for an accelerated coal transition? Horizontal scaling: How does the intervention expand the number of people/ institutions or geographic areas engaged with or benefitting from an accelerated coal transition? Depth scaling: How does the intervention deepen understanding of and support for an accelerated coal transition? |

Adaptive sustainability

Each program/project proposed for CIF financing shall demonstrate how it will seek to deliver transformational changes that are resilient and lasting over the long-term, after concessional finance support is terminated, as well as adaptive to evolving contexts. This involves building capacity (e.g., to understand, formulate, implement, maintain, and monitor climate strategies and activities) in relevant stakeholders and institutions. Interventions should enable experimentation (e.g., of new technologies, policies, and business models) and flexibility to learn and course correct during and after implementation. Programs should also support resilience from backsliding (e.g., creating demand for renewable energy through job creation and awareness building, ensuring a just transition, installing appropriate technologies, etc.). These processes should progressively build, refine, and retain climate-neutral, inclusive, resilient, and sustainable development pathways.

| What | What relevant changes need to be sustained and advanced beyond the intervention? |
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| How | Capacity: How does the intervention build the capacity of stakeholders and institutions to advance and sustain the transition away from coal and towards cleaner sources of energy? Flexibility: How does the intervention enable experimentation and flexibility, including the ability to learn and course correct when necessary? Resilience: How does the intervention insulate and accelerate coal transition from stalling or backsliding due to endogenous and exogenous pressures or shocks and enable recovery when required? |