

CLIMATE INVESTMENT FUNDS

Joint CTF-SCF/17/6
May 17, 2017

Joint Meeting of the CTF and SCF Trust Fund Committees
Washington, DC
June 7, 2017

Agenda Item 6

**Evaluation and Learning Special Initiative
FY17 Annual Report and FY18 Work Plan
(SUMMARY)**

PROPOSED DECISION

The joint meeting of the CTF and SCF Trust Fund Committees reviewed the document Joint CTF-SCF.17/6, *Evaluation and Learning Special Initiative FY17 Annual Report and FY18 Work Plan*, and welcomes the progress on implementing the initiative in FY17 and plans for FY18.

The joint meeting provided feedback and comments on the work plan, which would be incorporated as the work plan is implemented.

1. Introduction and Background

1. The purpose of the CIF Evaluation and Learning (E&L) Initiative is:
 - To capture evidence and lessons on an ongoing basis so that they can inform ongoing CIF activities within an actionable time horizon, where adjustments are still possible; and,
 - To identify valuable evidence and lessons learned to inform current and future climate finance investments.
2. Together with the Senior Evaluation and Learning Specialist in the CIF Administrative Unit, the Advisory Group developed a Business Plan¹ for the three-year E&L Initiative that was approved by the Joint CTF-SCF Trust Fund Committee (TFC) in June 2016. This document provides the first Annual Report of the E&L Initiative, highlighting progress and results to date on the FY17 Work Plan, as well as a Work Plan and budget for FY18.

2. Summary of Priority Learning Themes

2.1. Transformational change

3. A Transformational Change Learning Partnership was recently formed consisting of 20-30 CIF stakeholders and external actors. It serves as a core learning community to co-develop and test definitions and theories of change for transformational change in the CIF context. This includes a first learning workshop in June 2017 in addition to virtual exchanges and follow up workshops. The group is also working with evaluators to co-design and inform a portfolio review and evaluative research, and will help interpret early findings and their relevance for the CIF and externally. Key deliverables from this activity in FY18 include additional learning workshops, theories of change on transformational change in the CIF, a portfolio review, deep dive research reports, and initiation of a capstone synthesis report summarizing the available evidence on transformational change and makes recommendations for future action. This report will be available by December 2018, with early learning dissemination and engagement planned throughout FY18.

2.2. Private sector investment

4. The Transformational Change Learning Partnership includes a strong focus on CIF contributions to market transformations – interpreted here as the creation of viable commercially-oriented markets – in key sector, country and regional contexts. An evaluation of models and approaches for financing forest-related enterprises in the FIP, with a particular focus on private sector enterprises of various types and sizes, was launched in FY17 and will deliver results throughout FY18. The E&L Call for Proposals yielded several activities focusing on the private sector investment theme.

¹ Joint CTF-SCF/16/5, *Evaluation and Learning Special Initiative: Business Plan*. May 2016.

2.3. Local stakeholder engagement and benefit

5. Initial progress was made in FY17 on developing an approach paper for evaluating local stakeholder engagement in the CIF context, including a multi-pronged approach consisting of an overarching evaluation as well as smaller, more targeted E&L activities on specific related topics. This activity will be further developed and implemented in early FY18, ensuring the participation of a broad spectrum of stakeholders in its design and implementation in line with audience-driven E&L principles. Several E&L activities initiated in FY17 and planned for FY18 are analyzing various dimensions of the local stakeholders theme. The Call for Proposals also yielded demand-driven E&L activities on the theme of local stakeholder engagement and benefit.

2.4. CIF design and approach

6. The CIF programmatic approach – a unique, core facet of the CIF business model – emerged as a top priority for the E&L Initiative to evaluate in the context of assessing the CIF Design and Approach learning theme. An evaluation of the CIF programmatic approach was launched in FY17. This activity is now in the inception phase and poised to deliver important learning by December 2017, with a final report in February 2018. Facilitating South-South knowledge exchange is also a key component of the CIF model and approach. The E&L Initiative supported the evaluation and strengthening of regional PPCR knowledge exchange events in the Asia-Pacific and Africa through interviews with participants regarding their experiences and the extent to which they are applying lessons learned through the exchanges in their daily work.

3. FY17 Progress and Results

Objective 1: Identify and carry out initial set of rapid-action opportunities (Call for Proposals)

7. Among the first actions implemented in FY17 was a Call for Proposals to identify demand-driven, rapid-action opportunities that align with E&L priority learning themes and guiding principles. Nine proposals were designated to receive funding. A second Call for Proposals window is being launched in late FY17, building upon the experience and lessons learned from the first round. In this round, the initiative will place increased emphasis on proposals which integrate with and contribute to the wider work on transformational change.

Objective 2: Develop and implement strategic approaches for priority learning themes

8. Strategic, cross-cutting evaluations and learning partnerships were developed and initiated, as per the Year One Work Plan, related to the four priority learning themes.

These include evaluations of transformational change, the CIF programmatic approach, financing forest-related enterprises, and the DGM in the FIP (see Section 2). Evaluation firms and think tanks have been contracted and are working with teams to plan and begin implementation of these evaluations.

Objective 3: Consolidate engagement strategies and implementation mechanisms

9. In the first year of the initiative, it was especially critical to engage CIF stakeholders in E&L activities to generate buy-in and set the foundation for evaluation and learning that is participatory, relevant and applied. It was similarly important to build integration and synergies among existing CIF units and initiatives. External engagement, in particular with the GCF, was also a high priority. Finally, the initiative worked to set up internal implementation and coordination mechanisms to facilitate timely and quality delivery on an ambitious Work Plan. Several FY17 activities focused on achieving these aims.

4. FY18 Work Plan

Objective 1: Implement demand-driven activities through the E&L Call for Proposals

10. Activities developed through the initial Call for Proposals in FY17, presented in Table 2, will be further implemented and closely monitored throughout FY18, and will begin to yield important learnings for the CIF community and wider sector. A second Call for Proposals window, initiated in late FY17, will undergo review and approval processes for E&L activities to be funded and carried out in FY18.

Objective 2: Deliver strategic, cross-cutting evaluations on priority learning themes

11. The implementation of strategic, cross-cutting evaluation and learning activities will ramp up during FY18. After completing the scoping, contracting and Inception Phase, evaluations and learning partnerships on the themes of Transformational Change in the CIF, the CIF Programmatic Approach, Financing Forest-related Enterprises, the DGM in the FIP, Strengthening Learning Networks and Events, and Local Stakeholder Engagement will experience full implementation during FY18 and begin to yield important learning.

Objective 3: Ensure value creation through effective engagement, dissemination and uptake

12. Implementation of E&L activities will unfold within a wider CIF knowledge and learning approach to help streamline complementarities and coherency around planning, engagement and implementation. Strong collaboration with GCF, GEF and others will continue. As E&L activities begin to yield early learning and results throughout FY18, dynamic communications, dissemination and uptake activities will be critical to fulfilling the mandate of producing learning that is relevant and applied.

5. Budget

13. The Year One (FY17) Work Plan denoted an overall implementation and budgeting strategy based on setting up and piloting partnerships and approaches in Year One, ramping up spending to scale successful approaches and major initiatives in Year Two, and maintaining these efforts while focusing on dissemination in Year Three (recognizing that the E&L Initiative is planned as a three-year initiative). This overall spending forecast is maintained in the FY18 Work Plan. However, it is important to note that due to UK currency exchange rate fluctuations, an estimated USD 9 million allocation for the three-year E&L Initiative has been reduced to approximately USD 8 million at present. An updated three-year forecast is presented in Table 4.

Table 4. Actual and Planned Estimated Budget Commitments and Disbursements Y1-Y3²

Year	Budget commitments (USD)	Budget disbursements (USD)
Y1 (FY17) Actual Budget	\$3,100,000	\$2,000,000
Y2 (FY18) Estimated Budget	\$4,500,000	\$4,000,000
Y3 (FY19) Estimated Budget	\$400,000	\$2,000,000
	\$8,000,000	\$8,000,000

5.1. FY17 Budget commitments

14. In FY17, actual budget commitments broadly corresponded to what was planned in the Year One Work Plan in terms of estimated allocations, although in some cases plans were adjusted over the course of the year with associated budgeting implications.

5.2. FY18 Planned Estimated Budget Commitments

15. After focusing on the establishment of several key partnerships and implementation modalities in FY17, planned budget commitments are poised to ramp up further in FY18 as these approaches are scaled up.

6. Reporting and Review

16. The CIF Administrative Unit will provide annual reporting on the initiative to the joint meeting of the CTF and SCF Trust Fund Committees on the delivery of this work plan, as

² The term “budget commitments” refers to funds which have been or will be committed to contracts with vendors for specified E&L services over a particular duration. The term “budget disbursements” refers to funds that have been or will be disbursed as part of the payment schedules in these contracts. As contracts are generally for 6-18 months, with payment upon deliverables, the full disbursements paid out over the course of a contract will generally lag behind the total commitment allocations which are determined upfront upon contract signing.

well as a FY19 work plan, in conjunction with annual reporting and business planning process.