

# CLIMATE INVESTMENT FUNDS

Joint CTF-SCF/TFC.20/4  
December 28, 2019

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Joint Meeting of the CTF and SCF Trust Fund Committees  
Ouarzazate, Morocco  
Thursday, January 31, 2019

Agenda Item 4

**Evaluation and Learning Special Initiative  
Update and Extension Concept Note**

## **PROPOSED DECISION**

The joint meeting of the CTF and SCF Trust Fund Committees having reviewed the document Joint CTF-SCF/TFC.20/4, *Evaluation and Learning Special Initiative Update and Extension Concept Note*, notes the progress on implementing the initiative over FY17-19, and welcomes the Concept Note for extending the initiative through to at least FY[XX].

The joint meeting, taking into consideration the progress to date, continued high interest and demand for this work, and importance of evaluation and learning on priority themes in climate finance, welcomes recommendations of the Evaluation and Learning Advisory Group and CIF Administrative Unit to extend the activities of the Evaluation and Learning Special Initiative as outlined in the document through new and additional resource allocations. Based on guidance provided by the joint meeting, it requests the CIF Administrative Unit, in consultation with the Advisory Group, to develop a more detailed work plan and budget for this extension according to Scenario “[X]” in the document, to be presented to the committee in the June 2019 presentation of the FY20 CIF Administrative Unit Business Plan and budget.

The joint meeting provided additional feedback and comments on the document, which will be incorporated into the work plan as it is developed for presentation in June 2019.

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## 1. SUMMARY

1. This document provides an update on the Evaluation and Learning (E&L) Special Initiative, highlighting progress and results to date, and a concept note for a proposed extension based on different resourcing scenarios.
2. Over the past two and half years, the E&L Initiative has demonstrated high levels of buy-in and value-add, with over 30 different studies and activities being carried out through a range of modalities and partners, analyzing the most pressing and relevant topics in climate finance. In FY19, the Initiative will complete these studies and generate insights on transformational change and other areas to inform strategic discussions and decisions. This includes:
  - An independent evaluation, evidence synthesis and facilitated learning process on Transformational Change in the CIF, informing future strategies and investments for CIF and its implementing institutions as well as other climate funds.
  - Several thematic evaluations were or are being carried out on topics of critical interest, including the CIF Programmatic Approach; the role of concessional finance and private sector engagement in energy, sustainable forest and climate resilience investments; mainstreaming climate services; engagement of local stakeholders and Indigenous Peoples; gender; and more.
  - Twenty-one demand-driven studies funded through an innovative Call for Proposals modality, generating wide buy-in and participation from all CIF stakeholder groups.
  - Multiple examples of findings and lessons being used for a range of strategic purposes, including discussions on future CIF strategies within CIF Trust Fund Committees (TFC), strategic initiatives of MDBs and other cases of learning uptake.
3. In light of these achievements and in response to continued demand, the Evaluation and Learning Advisory Group and CIF Administrative Unit recommend the provision of new and additional resources to extend the work of the E&L Initiative beyond its initial three-year mandate. Priority activities and intended outcomes are described below, calibrated to different resourcing scenarios. These include options for a more limited scope of activities relative to the current phase (Scenario A: USD 3 million), maintaining a similar scope but with new priorities (Scenario B: USD 6 million), and a slight increase to more fully advance key learning (Scenario C: USD 9 million). A more detailed work plan and budget request would be developed based on TFC guidance. Proposed activities would help leverage the evidence and learning generated thus far for maximum impact, through dissemination and uptake activities in partnership with MDBs, countries and other funds. Contingent on sufficient resources, it would also enable additional strategic evaluations on critical challenges and themes, and deepened learning partnerships in climate finance. The aim is to continue to leverage CIF experience and lessons for the benefit of CIF and the wider climate finance architecture, including the Green Climate Fund (GCF).

## 2. BACKGROUND

4. The CIF were founded to serve as a learning laboratory for scaled-up climate finance. In May 2015, the Joint CTF-SCF TFC endorsed a proposal to enhance the generation of knowledge from evaluation for learning (the E&L Initiative) in the CIF. The Joint CTF-SCF TFC created a “special initiatives budget” (funded through the SCF Administrative Budget) to support this work, with resources of approximately USD 7.8 million<sup>1</sup> allocated over three years to support learning through evaluative and evidence-based activities. The purpose of this work is:
  - To capture evidence and lessons on an ongoing basis to 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.
5. The TFC requested that a CIF-wide Advisory Group on Evaluation and Learning be formed to advise on the strategic direction of this work. The Advisory Group provides strategic advice on priorities and use of resources dedicated to the Initiative to support evaluation and learning across the CIF. Together with the Senior Evaluation and Learning Specialist in the CIF Administrative Unit, the Advisory Group developed a [Business Plan](#)<sup>2</sup> for the three-year E&L Initiative, approved by the Joint CTF-SCF TFC in June 2016. The Business Plan commits to undertaking evaluation and learning activities that are demand-driven, relevant and applied to decisions and strategies, emphasizing collaborative and user-centric approaches.
6. Building upon the Business Plan, a Year One (FY17<sup>3</sup>) Work Plan was developed and endorsed by the Advisory Group and circulated to the TFC in September 2016. In June 2017 an [FY17 Annual Report and FY18 Work Plan](#)<sup>4</sup> was endorsed by the Advisory Group and presented to the TFC. In June 2018, the [FY18 Annual Report and FY19 Work Plan](#)<sup>5</sup> was similarly endorsed by the Advisory Group and welcomed by the TFC.

## 3. PROGRESS TO DATE

7. The E&L Initiative prioritizes four key learning themes and related sub-topics (see Annex II for full list of E&L activities), based on wide consultation in the lead-up to the Business Plan:

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<sup>1</sup> Initial allocation of USD 9 million was reduced to USD 7.8 million due to UK currency exchange rate fluctuations.

<sup>2</sup> Joint CTF-SCF/16/5, *Evaluation and Learning Special Initiative: Business Plan*. May 2016.

<sup>3</sup> Fiscal Year (FY) refers to the period beginning July 1 each year to June 30 of the following year. This is in line with the World Bank fiscal year structure.

<sup>4</sup> Joint CTF-SCF/17/5, *Evaluation and Learning Special Initiative FY17 Annual Report and FY18 Work Plan*. May 2017.

<sup>5</sup> Joint CTF-SCF/TFC.19/5, *Evaluation and Learning Special Initiative FY18 Annual Report and FY19 Work Plan*. June 2018.

- **Transformational Change:** Understanding and assessing CIF contributions to transformational change, across programs and dimensions.
  - **Private Sector Investment:** Investigating financing models and experiences in CIF programs and sectors, and the role of concessional finance.
  - **Local Stakeholder Engagement and Benefit:** Exploring CIF local stakeholder engagement strategies, Indigenous Peoples, gender and other related topics.
  - **CIF Design and Approach:** Evaluating the effectiveness of the CIF Programmatic Approach as a delivery modality, and other program strategies and approaches.
8. In the FY19 Work Plan, three strategic objectives were prioritized: i) Quality assurance on E&L evaluations and studies; ii) Coherence in terms of the overall E&L narrative and evidence on learning themes; and iii) Dissemination, engagement and uptake of learning.
  9. The most visible and important work in FY19 relates to the Transformational Change Learning Partnership (TCLP), and in particular the independent evaluation and evidence synthesis launched in January 2019, as well as joint learning through TCLP workshops with a broad range of climate finance stakeholders. These pioneering, landmark studies are being delivered in time to inform strategic TFC discussions about the future of the CIF. They are also being widely disseminated and are poised to make a marked contribution towards more effective and impactful climate finance delivery across the sector.
  10. The most recent TCLP workshop, held in October 2018, involved over 70 stakeholders from Recipient Countries, donor countries, MDBs, civil society organizations, think tanks, other climate funds and external experts. Real-time learning and feedback took place to enhance the ongoing work of participants as well as to inform and strengthen the independent evaluation and evidence synthesis. This learning has already yielded practical institutional applications through use of transformational change concepts and early findings. This includes lessons on the role of CIF and how others can learn from CIF experience, as well as how transformational change can be better incorporated into the planning, implementation, measurement and learning practices of climate funds and institutions.
  11. The E&L Initiative also delivered an [\*Independent Evaluation of the CIF Programmatic Approach\*](#)<sup>6</sup>, the first holistic and systematic evaluation of the unique CIF delivery model for climate finance, launched in October 2018. This in-depth review provides key lessons demonstrating the advantages, constraints and success factors regarding the effectiveness of this approach in different contexts. It has been used to inform climate finance strategies for CIF, in the World Bank and other MDBs, and with GCF, among others. It is being disseminated widely, including a session with key leaders at COP24 in Katowice, Poland, in December 2018, and a webinar to share and discuss findings with the GCF Secretariat, also in December 2018.

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<sup>6</sup> [\*Evaluation of the Climate Investment Funds' Programmatic Approach\*](#). ICF, 2018. (See also a [\*Summary Brief\*](#)).

12. A learning review of the Dedicated Grant Mechanism (DGM) for Indigenous Peoples and Local Communities (IPLCs) in the FIP, the first systematic attempt to document the key lessons from design and early implementation of this ground-breaking approach, is also making an important contribution. Launched in January 2019, it is being actively used in strategies and discussions on the continuation, mainstreaming and scale-up of this innovative mechanism.

**Box 1: What are we learning from current E&L studies?** Examples from the E&L portfolio.

### **Transformational change**

- **There are signs of transformational change across all four CIF programs**, with more advanced signals in CTF (around scaling and sustainability) and PPCR (around systemic change), and more interim signals in FIP and SREP. There are also important outcomes on gender, private sector engagement and CIF influence in mainstreaming climate change programming in MDBs.
- **Enablers and success factors for transformational change** include planning for systemic change and scale through the CIF programmatic approach, harnessing national momentum and ambition, flexible use of financial instruments, favorable global cost trends or contexts and positioning climate change programming within a narrative of wider development co-benefits.
- **Not all investments show signs of transformational change**, for reasons including the early stage of much of the portfolio, long timescales often needed for transformation and delays in country-level programming. CIF programs have also faced barriers including under-development of financial markets in many partner countries, gaps in institutional and technical capacity, perverse incentives in some sectors, and external factors such as political, economic and natural shocks.

### **Private sector investment**

- **In CTF, investments contributed to market change by successfully leveraging the private sector**, including through demonstration projects and lowering the cost of finance, with signals of increased commercial viability of renewable energy markets in several countries.
- **In PPCR, FIP and SREP, private sector work remains challenging but effective models exist**, offering the opportunity to learn and replicate success cases across programs and contexts.
- **Intermediated finance through local banks is especially promising** as a way for MDBs and governments to reach smaller-scale businesses, communities and consumers in a range of climate-related areas including forestry, climate resilience, energy efficiency and energy access.

### **Local stakeholder engagement and benefit**

- **The DGM is a potentially transformative programming innovation**, empowering Indigenous Peoples to engage with international institutions and governments in a context of trust. Early outcomes include increased meeting of IPLC needs, better constituent representation, and increased involvement in REDD+ and political processes and gains in land titling.
- **There have been significant strides toward mainstreaming gender considerations** in CIF programs and projects over the past five years, including advancing women's voice, skills and livelihoods, along with some signals of systemic change. Evidence is not yet available of outcomes on how gender-responsive programming contributes to transformational change at scale.

### **CIF design and approach**

- **The CIF programmatic approach is conducive to supporting change at a systems level.** The certainty of scaled-up resources, along with government ownership, flexibility, and multi-stakeholder consultation, increase the transformative potential of investments. Mechanisms to sustain the programmatic approach throughout project implementation can be further enhanced and tailored to specific current program and country contexts.

13. Several other thematic evaluations on topics of critical interest were or are being carried out in FY19, including on the role of concessional finance and private sector engagement in energy, sustainable forest and climate resilience investments; engagement of local stakeholders; gender; and mainstreaming climate services (see Annex II for full list). For example, an important study conducted by Bloomberg New Energy Finance analyzing concessional finance in CTF, including lessons learned and potential new focus areas or strategies moving forward, is being launched in January 2019. A study on Financing Forest-related Enterprises in the FIP has added new learning to this challenging yet critically important area related to private sector and sustainable forests in the context of climate finance. Knowledge briefs on key challenges and priority areas in climate resilience – such as water resource management and resilience microfinance – were produced by the PPCR learning partner through a co-creation process involving PPCR pilot countries and MDBs, and widely discussed at the PPCR Pilot Country Meeting in May 2018.
14. Other evaluations, on topics ranging from synergies among international climate funds, to household-level resilience impacts, to enhancing private sector investment in grid-connected solar projects, have been or are being implemented through CIF implementing teams and Observers. A total of 21 demand-driven studies were funded through two successful rounds of Calls for Proposals, demonstrating high demand and buy-in from Recipient Countries, MDBs, CSO Observers and CIF Administrative Unit.
15. As the latter half of FY19 progresses and most studies are completed, the dissemination, engagement and uptake of learning from the E&L portfolio of studies is becoming a primary focus area. In this light, the Initiative has recently drafted, with extensive Advisory Group input, an Engagement and Uptake Strategy highlighting the overall orientation and major activities related to this area of work. It places high emphasis on strategic partnerships and collaboration with key stakeholders, both in the CIF and externally, to ensure maximum uptake and use of E&L lessons for strategies and operations in institutions and practitioner groups.
16. A strong foundation of demand-driven and participatory approaches has already led to several successes where findings and lessons are being applied for a range of purposes. For example, in addition to TFC discussions, E&L work is also informing strategic initiatives of MDBs, such as: The World Bank’s concessional climate finance framework<sup>7</sup>; AfDB approaches to private sector investments in sustainable forests; EBRD efforts to mainstream gender in private sector-led climate resilience investments; and the World Bank’s new Adaptation and Resilience Action Plan<sup>8</sup>. High levels of engagement are also leading to replication of successfully piloted E&L approaches or concepts by other climate funds and institutions, such as in the NAMA Facility regarding the use of transformational change concepts and evaluation approaches, and in the Adaptation Fund with regard to demand-driven learning through a Call for Proposals modality with implementing entities.

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<sup>7</sup> [Strategic Use of Climate Finance to Maximize Climate Action: A Guiding Framework](#). World Bank, 2018.

<sup>8</sup> [Adaptation and Resilience Action Plan: Key Messages](#). World Bank, 2018. Full action plan to be launched in January 2019 and includes lessons from PPCR and Evaluation of the CIF Programmatic Approach.

Key lessons from evaluations are also being shared and disseminated widely in a variety of ways.

***Box 2: What are we learning from current E&L processes?***

- **Aligning with institutional strategy processes increases relevance and use.** Studies on transformational change, the CIF programmatic approach, concessional finance, the DGM and other topics were purposefully pursued and timed to inform strategic decision-making processes in CIF and in partner institutions. While at times this has resulted in heightened expectations or sensitivities, it has ensured maximum strategic value, relevance and use of E&L evaluations.
- **Participatory approaches lead to buy-in, quality and uptake among stakeholders.** The demand-driven learning orientation and participatory engagement modalities used by the Initiative have been effective. The Call for Proposals activities – an innovation within large climate funds – engaged many CIF institutions and generated practical lessons of interest to several stakeholders. Learning partnerships, reference groups and widespread consultations in strategic evaluations has increased their utility to a range of climate finance institutions and practitioners.
- **E&L governance, management and implementation structures have proved effective.** Situating the Initiative within the CIF Administrative Unit enables a birds-eye view of strategic opportunities and full leveraging of the CIF network of implementing institutions and governance structures. The Advisory Group provides expert, stakeholder-driven oversight, at both the strategic and technical levels, and helps ensure independence, credibility and wider applicability.
- **The evidence base on climate finance remains scarce, with high demand for additional learning.** The Initiative has been very encouraged, and at times overwhelmed, by the high demand and interest in E&L studies and related learning. Both the studies themselves and the stakeholder response illustrate a continued dearth of robust evidence and learning on how to effectively design and deliver climate finance across a range of sectors, themes and institutions. The still-early stage of the CIF portfolio has also limited the ability to draw firm lessons in some areas but offers high opportunity for this over the next several years as more projects are completed.
- **A highly ambitious work program can stretch resources and result in trade-offs.** The Initiative has pursued a large number of activities, and while this has yield many positive results, it has also stretched financial and human resources in implementation. At times this has led to stakeholder fatigue and less time devoted to maximizing learning and uptake opportunities within studies.

17. There is high interest among CIF and external stakeholders to build on this progress and momentum by continuing to implement new E&L activities beyond FY19. Building on current E&L experience and lessons learned (see Boxes 1-4), and directly engaging and benefitting a wide array of climate finance institutions and practitioners, the proposed extension would help generate more transformative climate finance investments commensurate with the scale and urgency of the climate crisis.

#### **4. CONCEPT NOTE FOR E&L EXTENSION**

18. The E&L Initiative was originally conceived and funded as a three-year effort. Over this period, a proven track record has been established, and the importance of evidence-based

learning about the key challenges in climate finance remains as relevant as ever. As outlined above, there is interest and rationale for additional activities that would harness current momentum to further advance evidence-based learning in several critical areas.

#### **4.1. Context and rationale**

19. In this context, the Advisory Group and CIF Administrative Unit have developed a high-level concept note to further advance and mainstream E&L activities over at least the next three years, based on a range of resourcing scenarios, to continue learning and applying key lessons from the CIF portfolio. Based on TFC guidance and additional consultations, a more detailed work plan and fully budgeted proposal for the extension would be developed by the Advisory Group and Senior E&L Specialist, in consultation with CIF stakeholders, in the latter half of FY19. Consultations would take place, for example, at the TCLP workshop and Advisory Group meeting in April 2019, in specific institutional consultations with MDBs and recipient countries, and at a joint learning event planned for May/June 2019, referenced below. Some activities or elements presented in this concept note may change as a result. The final work plan and budget would be presented and discussed with the TFC in June 2019 as part of the FY20 CIF Administrative Unit Business Plan.
20. The E&L Initiative and the CIF overall have strengths that provide rationale for continuing to pursue demand-driven evaluation and learning within the current structure. With its unique set of implementing institutions and track record of experience over the past decade, the CIF continues to be well-placed among large climate funds for evidence-based learning on critical themes in climate finance. As implementation of the CIF portfolio advances, this potential will increase further. Other large climate funds either demonstrate different approaches to learning or do not yet have sufficient years of experience in climate finance implementation. For example, the GCF Independent Evaluation Office (IEO) will be limited in its ability to conduct outcome-oriented evaluations for several years due to the very early stage of many GCF projects. As such, the CIF E&L Initiative continues to be uniquely placed within the climate finance architecture for delivering strategic learning for the benefit of other funds and entities.
21. The E&L Initiative is well-structured to continue to lead these actions (see Box 2 above). Through its placement within the CIF Administrative Unit, and under guidance from the Advisory Group, the Initiative has leveraged the CIF institutional and governance structure to successfully deliver learning that is relevant both strategically and operationally. It brings together diverse stakeholders to build shared understanding on priority themes within the CIF and more broadly. This network continues to exhibit high demand for continued learning opportunities. The E&L Advisory Group, unique amongst evaluation and learning functions in large climate funds, helps to ensure independence and wider strategic relevance through its oversight function, enhancing the ability to prioritize themes and issues that are relevant not only to CIF but to the wider climate finance architecture. The Initiative also benefits from close relationships with other cross-cutting functions in the CIF Administrative Unit, including Monitoring and Reporting (M&R) and

Knowledge Management (KM), as well as program teams and thematic specialists such as on gender, private sector and local stakeholder engagement. Participation of these teams in E&L activities have helped to strengthen quality and relevance.

22. It is also worthwhile to consider the implications of not providing additional resources for the Initiative. Without continued E&L implementation, CIF will struggle to provide critical learning for the wider climate finance architecture in the way that it was intended. M&R and KM practices in the CIF Administrative Unit, as well as evaluation functions in the MDBs, provide valuable knowledge, results and learning. However, they differ in their scope and ability to assess wider strategic or thematic areas in depth and across programs, sectors, countries and institutions. The E&L Initiative uniquely enables independent assessment of cross-cutting areas using robust evaluative inquiry processes and multiple methodologies. A learning-oriented approach ensures that lessons are actively engaged with and applied in dynamic ways.
23. The CIF and international climate finance more broadly still lack a sufficiently strong base of evidence upon which to draw lessons and inform future interventions<sup>9</sup>. With over 30 studies on strategically important issues, the E&L Initiative has been a catalyst for filling this void. If it is not extended, the CIF would have limited ability to fully leverage the evidence generated in current E&L studies, leading to reduced impact for CIF and others, as well as a reduced ability to generate new evidence and learning from additional strategic or thematic evaluations within maturing CIF portfolio. This would represent a missed opportunity for much-needed learning on effective uses of climate finance. An extension would help avoid this outcome and further fulfill CIF's learning mandate.

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<sup>9</sup> As referenced in the recent *Evidence Synthesis on Transformational Change in the CIF*. ODI, 2019.

***Box 3: What are some key persisting knowledge and evidence gaps?***

The TCLP and other E&L studies have found a persisting lack of evidence or knowledge in some key areas that could be further pursued within the proposed E&L extension. These include:

- **Increasing the evidence base in priority sectors, themes and technologies**, such as transport, battery storage, gender, private sector in forests and climate resilience, and models for scaling energy access. FIP and SREP overall, as well as private sector programs, have limited evaluative evidence yet represent rich portfolios of learning on areas critical to the future of climate finance.
- **Better understanding of key transformational change concepts**, including the inter-relationships between systemic change and scale, and associated design considerations in different contexts, as well as the concept of sustainability, which has proved difficult to understand, predict or assess.
- **Exploring the effectiveness of different financing models and instruments**. A number of financial instruments or modalities have been applied in the CIF, by MDBs and countries, with relatively little assessment or comparative analysis. Intermediated finance is one example.
- **Analyzing barriers and enablers to transformation in different contexts**, including market, institutional and political economy dynamics, and related design and implementation implications. These may also include local leadership, access to finance, knowledge and information, and exogenous shocks.

**4.2. Key Objectives, Activities and Outcomes**

24. The primary objective of the E&L Initiative under the proposed extension would remain to use strategic and demand-driven evaluation and learning to inform current and future investments, both in the CIF and for benefit of the wider climate finance architecture. The Initiative would continue to use participatory modalities with high levels of stakeholder engagement, following on the current E&L and TCLP model (see Boxes 2 and 3), to implement activities on topics of strategic interest.
25. Overall outcomes aimed to be achieved in the next phase of the E&L Initiative include the following, with a more detailed description of activities below and in Annex I:
  - **Institutional learning uptake**: Climate funds, institutions and stakeholders have increased opportunities to engage with findings from E&L studies and apply learning to specific new or ongoing strategies and operations, resulting in higher impact.
  - **Enhanced country-level learning**: Recipient Country stakeholders and institutions are strengthened through enhanced learning and uptake opportunities at the national or regional level, resulting in increased ability to address climate challenges.
  - **New sets of tools and guidance**: Practical resources for decision-makers and practitioners help to translate existing evidence into action for enhanced policies, strategies and investments.
  - **Additional strategic evaluations**: A select number of additional strategic evaluations, on topics critical to the success of CIF programs and more effective use of climate finance more broadly, are delivered to inform strategies and decisions;
  - **Deepened climate finance learning partnerships**: Increased multi-institutional collaboration and learning in climate finance help to fill persisting knowledge gaps

and advance collective insights for more transformative climate investments.

26. The extent to which the Initiative can achieve these outcomes is dependent on the level of resources allocated. Different resource allocation scenarios have been developed to help guide discussions and decisions about the scope of the proposed E&L extension. These include:
- Scenario A: Additional resources of USD 3 million.
  - Scenario B: Additional resources of USD 6 million.
  - Scenario C: Additional resources of USD 9 million.
27. Overall, Scenario A represents a reduced scope of resources and activities as compared to the current phase, however it permits some key new learning and uptake activities. Scenario B represents broadly maintaining the current scope of the Initiative, with some recalibration of activities to reflect current and emerging priorities. Scenario C represents a slight increase in scope to more fully leverage the CIF implementation experience and address a broad range of new learning challenges and priorities in climate finance, in partnership with others. These are further described below.
28. Table 1 represents a visual depiction of the extent to which the above outcome areas could be achieved under the different resourcing scenarios. One or less “x” represents limited and selective ability to engage in the activity, whereas each additional “x” represents increased ability, scope and depth for carrying out the activity using increased resource allocations. Each scenario is described in greater depth below, with more detail on the overall types of activities provided in Annex I.

**Table 1. Scope of proposed E&L activities and outcomes under different resourcing scenarios**

| <b>Outcome area</b>                   | <b>Scenario A<br/>(USD 3 million)</b> | <b>Scenario B<br/>(USD 6 million)</b> | <b>Scenario C<br/>(USD 9 million)</b> |
|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Institutional learning uptake         | x                                     | xx                                    | xxx                                   |
| Enhanced country-level learning       | x                                     | xx                                    | xxx                                   |
| New sets of tools and guidance        | x                                     | x                                     | xxx                                   |
| Additional strategic evaluations      | x                                     | xx                                    | xxx                                   |
| Deepened climate finance partnerships |                                       | x                                     | xxx                                   |

29. Scenario A (USD 3 million) would focus primarily on leveraging the current portfolio of E&L studies for increased, context-specific application of lessons and insights, with some limited scope for select new evaluations. It includes:
- Institutional learning uptake activities, such as workshops, briefings and other activities with MDBs, climate funds and others to more fully disseminate and distill lessons from E&L studies and apply them to strategies and operations. These would respond opportunistically to institutional priorities and collaboration opportunities.

- Enhanced country-level learning, carrying out a limited number of regional and national briefings, workshops and/or other learning activities for policy-makers and practitioners in Recipient Countries, based on country demand.
  - New sets of tools and guidance, including thematic briefs and practitioner-focused learning tools or modules, to help translate learning into action. These would be largely based on current E&L studies, using demand-driven processes.
  - A select number of new strategic or thematic evaluations, focusing on key evidence gaps (see Box 3) or new priority areas. These studies would generally be smaller and more limited in number, breadth and depth than in higher resourcing scenarios.
  - Due to resource constraints, this scenario would inhibit the ability to forge more structured, ongoing learning partnerships with other climate funds and institutions.
30. Scenario B (USD 6 million) permits increased learning uptake activities in institutions and countries, along with development of new tools and guidance, while allowing for an expanded number and scope of new strategic evaluations and thematic studies, and increased partnership opportunities. These include:
- Increased range of institutional and country-level learning opportunities, including with a broader range of Recipient Countries and deeper collaboration with MDBs and other climate funds, to apply E&L lessons to strategies and operations. New sets of tools, guidance and thematic syntheses will also be prioritized, as above.
  - Additional and more robust strategic, cross-cutting evaluations on priority themes to fill persisting evidence gaps in climate finance. Some of these studies may be similar in scope to current evaluations on the CIF Programmatic Approach or Transformational Change. They may also include specific thematic areas such as transport, private sector, gender, dimensions of transformational change and other topics identified as meriting additional study, or emerging themes identified by the TFC or others based on new programming priorities.
  - More advanced learning partnerships with climate finance institutions and other practitioners, including greater potential for joint learning events, studies and other activities to enhance collective learning and collaboration.
  - Under this scenario, the extent to which the full range or scope of these activities can be implemented is more limited compared to higher resourcing scenarios. For instance, barring additional resource allocations or contributions, only a modest number of new strategic evaluations would be possible, and the scope for more structured and continuous learning partnership activities is constrained.
31. Scenario C (USD 9 million) would allow the Initiative to implement a wider scope of E&L activities for deeper, broader and more sustained impact. It maximizes opportunities to fully leverage learning from the existing E&L portfolio across a wide range of countries and institutions, both internal to CIF and externally, while also permitting new and varied forms of strategic evaluations and other thematic studies on priority issues. This includes:

- Wider application of learning from current and new E&L studies through activities with Recipient Countries, MDBs, climate funds and others. This includes workshops and briefings, as above, as well as potential new knowledge co-creation and other activities where additional follow-on analyses may be helpful.
- Development of more comprehensive sets of tools, guidance, thematic syntheses, policy briefs and other products, with supportive analytical work as needed.
- Increased number, breadth and depth of new cross-cutting strategic evaluations, similar in scope to current studies on Transformational Change and the CIF Programmatic Approach, as well as more numerous and robust thematic studies. These would be based on strategic needs or gaps and undertaken in collaboration with other climate finance institutions and stakeholders where possible.
- More structured and inclusive climate finance learning partnerships, building and expanding upon the current TCLP model. This would include a centralized coordination function or platform and a program of joint learning events, as well as joint studies, co-creation of tools or other guidance, and other collaborative learning and uptake activities. It would also aim to establish connections with related initiatives and networks, such as UNFCCC and Sustainable Development Goals (SDGs) activities and other development research and evaluation efforts.
- This scenario most fulfills the CIF mandate as a living learning laboratory for scaled-up climate finance, accelerating efforts to generate and share evidence across the climate finance architecture for more transformative climate investments.

32. The above resourcing scenarios are consistent with an approximately three-year time horizon for implementing the associated activities (through FY22), which is broadly based on what the different levels of funding would realistically permit given the scope and likely duration of activities under each scenario. The intention, however, is to integrate and mainstream E&L activities as a core function of the CIF Administrative Unit going forward over a longer time-period, given that CIF-supported projects will continue to be implemented and completed over the next 10 years with increased opportunities for evaluation-based learning. Higher and more sustained resource allocations would help ensure continuation of E&L activities over this longer period. As such, consideration may be given to the potential of future resource additions annually or through another extension in FY22, to ensure that key lessons can continue to be captured from ongoing CIF implementation over at least the next 5-7 years for benefit of current investments and the wider climate finance architecture.

#### **4.3. Illustrative Outputs Under Different Resourcing Scenarios**

33. The below table describes illustrative outputs stemming from the above activity areas under the different resourcing scenarios.

**Table 2. Illustrative outputs under different resourcing scenarios\***

| <b>Outcome area</b>                   | <b>Scenario A<br/>(USD 3 million)</b>                                 | <b>Scenario B<br/>(USD 6 million)</b>  | <b>Scenario C<br/>(USD 9 million)</b>   |
|---------------------------------------|---|--|---|
| Institutional learning uptake         | 6-8 institution-level briefings, workshops, other learning activities | 8-10 institution-level briefings, workshops, other learning activities                 | 10-12 institution-level briefings, workshops, other learning activities   |
| Enhanced country-level learning       | 4-5 country/regional briefings, workshops, other learning activities  | 6-8 country/regional briefings, workshops, other learning activities                   | 8-10 country/regional briefings, workshops, other learning activities   |
| New sets of tools and guidance        | 3-4 sets of tools, briefs or learning products                        | 3-4 sets of tools, briefs or learning products   | 6-8 sets of tools, briefs or learning products, some linked to new analyses or studies  |
| Additional strategic evaluations      | 1-3 new strategic or thematic evaluations                             | 4-6 new and more robust strategic or thematic evaluations                              | 6-10 new strategic or thematic evaluations, with increased breadth, depth and overall scope of analysis   |
| Deepened climate finance partnerships | Limited, opportunistic partnerships as feasible                       | Increased scope for joint learning events (2-3), studies (1-2) and/or other activities | Broader and more formal learning partnerships with coordination function, online platform, series of events (5-6) and joint studies/tools (3-4) |

*\*Assumes various levels of co-financing with participating institutions. Specific activities may change and would be developed through additional consultations and outlined in the Work Plan presented to the TFC in June 2019.*

#### **4.4. Institutional Partnerships and Collaboration**

34. Across all of the above areas, partnership and collaboration remains a key principle. This includes co-financing of activities where possible to leverage the contributions and buy-in of partner organizations. Current collaborative and co-financed E&L activities point to the value and feasibility of such an approach. For example, several of the current studies implemented through the Call for Proposals modality include co-financing from implementing institutions as well as other funds or partners. Studies being implemented by MDBs, for example, collectively include well over USD 1 million in co-financing from MDB resources or other funds, in addition to staff time and other material or in-kind resources. Other entities including Recipient Countries and CSO Observers also contribute to E&L activities through financial and in-kind resources. This demonstrates high institutional demand, buy-in and value-add.
35. Other climate funds are also collaborating through co-financed activities. For example, two current E&L studies are being co-financed and jointly undertaken with the GCF, in addition to in-depth staff participation in several major evaluations. Similarly, a jointly sponsored event on transformational change with the NAMA Facility is planned for May or June 2019, on the sidelines of the UN Conference of the Parties (COP) technical working group sessions in Bonn, Germany. The event hopes to attract key climate finance stakeholders involved in UNFCCC processes, as well as additional climate funds and

partners, to share evidence and approaches to transformational change in climate finance. This builds on experience and relationships forged in TCLP workshops, which the majority of participants attend using internal resources.

36. Joint sessions with CIF, GCF and the Global Environment Facility (GEF) have also been held at major conferences, and the funds are collaborating to support the next International Development Evaluation Association (IDEAS) Global Assembly, in September 2019, focused on Transformational Change and the SDGs. Memorandums of Understanding (MoUs) between the CIF E&L Initiative and the GCF Independent Evaluation Unit (IEU), the GEF Independent Evaluation Office (IEO) and the NAMA Facility Technical Support Unit (TSU) are being developed or updated to reflect this deepened collaboration. A fully-resourced and extended E&L Initiative can leverage and further advance these institutional partnerships and synergies.

***Box 4. What are we learning from the current multi-stakeholder TCLP experience?***

In considering plans future institutional collaboration and learning partnerships, it is important to take note of what has been learned from current TCLP experience. A few key lessons include:

- **There is high demand for multi-stakeholder, multi-institutional learning** among climate finance practitioners on topics of common interest.
- **There is no replacement for in-person learning opportunities**, which offer the opportunity for more dynamic exchange than webinars or other online tools.
- **Increased focus on the co-creation of knowledge, tools and approaches** can enhance the participant experience, and turn insights into practical applications.
- **A focus on the organizational learning priorities of participating institutions** can increase value-add and strategic relevance, with enhanced overall impact.

## **5. ILLUSTRATIVE BUDGET**

37. An indicative, illustrative breakdown of the budget for the proposed activity areas and outputs under different resourcing scenarios are presented below. The precise budget amount, which may vary subject to guidance from TFC members and other stakeholders, would be formally presented as part of the CIF Administrative Unit Business Plan and budget request to the TFC in June 2019. Annual work plans would provide more details on budgeting for specific activities, as consistent with current practice, and specific amounts may change depending on priorities and activities indicated at that time.

**Table 3: Illustrative, indicative budget for E&L extension based on different scenarios, in USD\***

| <b>Outcome area</b>                   | <b>Scenario A<br/>(USD 3 million)</b> | <b>Scenario B<br/>(USD 6 million)</b> | <b>Scenario C<br/>(USD 9 million)</b> |
|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Institutional learning uptake         | \$550,000                             | \$750,000                             | \$950,000                             |
| Enhanced country-level learning       | \$550,000                             | \$750,000                             | \$950,000                             |
| New sets of tools and guidance        | \$600,000                             | \$700,000                             | \$950,000                             |
| Additional strategic evaluations      | \$700,000                             | \$2,400,000                           | \$4,000,000                           |
| Deepened climate finance partnerships | \$350,000                             | \$900,000                             | \$1,400,000                           |
| Admin and implementation support      | \$250,000                             | \$500,000                             | \$750,000                             |
| <i>Total</i>                          | <i>\$3,000,000</i>                    | <i>\$6,000,000</i>                    | <i>\$9,000,000</i>                    |

*\*Assumes various levels of co-financing with participating institutions. Activities and budgets may change and would be further developed through additional consultations and outlined in the formal budget request and work plan presented to the TFC in June 2019.*

## **6. MANAGEMENT AND REPORTING**

38. The Advisory Group would continue to provide strategic guidance to the E&L Initiative throughout the proposed extension, building on the effectiveness of the current model. In particular, it would retain its representational nature by maintaining its current structure regarding the proportional allocation and representation of all major CIF stakeholder groups represented in the CIF governance structure<sup>10</sup>. Advisory Group members would continue to serve a two-year term with an option for renewal, subject to review and validation by their associated stakeholder groups as relevant. The Chair of the Advisory Group would serve on a rotating basis, elected by members. More details on the current model and Terms of Reference for the Advisory Group can be found in the initial E&L Business Plan.
39. The E&L Initiative would continue to be led by the Senior Evaluation and Learning Specialist in the CIF Administrative Unit. The Specialist would coordinate with the Advisory Group as well as colleagues in the CIF Administrative Unit and broader CIF community to coordinate and implement the initiative, including the development and presentation of an annual work plan to the joint meeting of the CTF and SCF TFC.
40. The CIF Administrative Unit would continue to provide annual reporting on the E&L Initiative to the joint meeting of the CTF and SCF TFC on the delivery of this work plan in conjunction with the annual reporting and business planning process. Additional feedback would be gathered through ongoing stakeholder consultations and the joint meeting of the CTF and SCF TFC to inform and adapt annual work plan approaches and activities. The

<sup>10</sup> This currently includes two representatives from Recipient Countries and one representative each from contributor countries, MDBs, Observers and CIF Administrative Unit, in addition to three external experts in evaluation, learning and climate finance.

Initiative is committed to continuing a practice of reflective learning on an ongoing basis, with the Advisory Group and other stakeholders, to ensure continued relevance, quality and impact of activities.

## **ANNEX I: DESCRIPTION OF KEY OUTCOME AREAS FOR PROPOSED E&L EXTENSION**

41. The overall outcome and activity areas referred to in the main document are described in more detail in this annex. The proposed activities and modalities within each area build on current learning and experience related to both process and content (see Boxes 1-4) and are also the product of informal consultations and Advisory Group sessions during FY19. However, as noted these activities are indicative and will be further shaped and refined through consultations and planning sessions with stakeholders later in FY19 and according to guidance on the above scenarios and associated resource allocations.

### ***I. Institutional learning uptake***

42. This activity area aims to provide climate finance institutions and stakeholders with increased opportunities to engage with learning emanating from E&L studies and practically apply it to new or ongoing strategies and operations. Building on current experience and examples of learning and uptake cited above, this would include more in-depth strategic briefings, dialogue, and workshops with other major climate funds, such as the GCF, as well as with donors, MDBs and other climate finance actors, according to their organizational learning priorities and interests. It would develop or build on specific engagement and uptake plans with MDBs, GCF and other institutions, leveraging their strategic interests and application opportunities.

43. Particular efforts would be made to help inform the development of new strategies or initiatives, where learning lessons from CIF experience may be especially useful to draw upon. A Call for Proposals or similar kind of competitive approach may be used to generate demand-driven learning engagements prioritized by institutions as having strong potential influence on policies, strategies and investments.

### ***II. Enhanced country-level learning***

44. Current E&L activities have facilitated in-country learning in a variety of ways, including through the demand-driven Call for Proposals studies – many of which are being implemented by country-level stakeholders and include data collection, validation and dissemination activities in national contexts. However, Recipient Country representatives have signaled a demand for increased national-level activities to ensure that learning from the broader set of E&L activities, including strategic cross-cutting evaluations on topics such as transformational change, is made relevant and accessible to policy-makers and practitioners on the ground.

45. Expanded activities in this area would include, for example, regional and in-country briefings, workshops, country-level analyses and other learning events or activities with relevant institutions and stakeholders. As above, these activities would be demand-driven and selective, leveraging opportunities for greatest influence. The overall goal is to inform and strengthen Recipient Country stakeholders' and institutions' design and delivery of

climate finance through enhanced learning uptake opportunities, increasing the ability to address context-specific climate challenges.

### ***III. New sets of tools and guidance***

46. This activity focuses on the development of practical tools, thematic syntheses and other resources for decision-makers and practitioners to help translate existing evidence into action. Many stakeholders have highlighted this need. For example, other climate funds such as the GCF, as well as MDBs, donors and Recipient Countries, have expressed interest in converting the CIF transformational change reports into more explicit tools or guidance notes to help them prioritize projects with the greatest potential for transformative outcomes. They have also requested shorter summary briefs for policy audiences and other decision-makers, synthesizing findings and lessons on select topics drawing from a range of E&L studies and other work.
47. Stakeholders have also pointed to the usefulness of developing other kinds of new knowledge and learning products based on the rich information contained in current E&L studies. These may include, for example, e-learning modules, checklists and other knowledge products or materials. As above, a modified Call for Proposal approach may be used to enable demand-driven development of tools or learning materials by specific institutions, for both organizational and sector-wide benefit.

### ***IV. Additional strategic evaluations***

48. Despite progress there remains a relative paucity of evidence on effective use of climate finance across a range of sectors, themes and approaches. Under this activity and assuming sufficient resource allocations (see Tables 1-3), the Initiative would prioritize a select number of new strategic evaluations, based on stakeholder priorities, to help inform new strategies or decision-making processes in the CIF and across the climate finance architecture. These may build on and further advance current E&L themes or they may emerge from new programming directions or key challenges identified by the TFC, CIF implementing entities or other climate finance funds or practitioners. These studies would be new and different from the list of current E&L activities provided in Annex II.
49. The criteria for prioritizing studies and topics developed by the Advisory Group and presented in the initial E&L Business Plan, especially as relating to strategic relevance, remains applicable. The Advisory Group in particular would help ensure that topics are relevant to a variety of climate finance funds and actors. This work would be highly selective and based on clearly articulated emerging priorities as well as gaps in the current research. Joint studies that are strategically-aligned and potentially co-financed with CIF agencies or other climate finance institutions would also be pursued, where relevant and feasible.

**V. *Deepened climate finance learning partnerships***

50. The current TCLP model and experience, along with other CIF initiatives, have successfully built collaboration and momentum for joint learning among climate finance practitioners within and outside of CIF. There is an opportunity to sustain this progress and build enhanced collective learning on critical challenges, with a focus on practical application of learning to enhance organizational strategies and investments. Going forward, leveraging the current TCLP, a deeper form of multi-institutional collaboration among climate funds, Recipient Countries, MDBs and others can lead to enhanced ownership, relevance and impact. This activity is dependent upon higher levels of resources as indicated in Scenarios B and C.
  
51. Assuming sufficient resources, deepened climate finance learning partnerships would aim to include: i) a focus on participants' institutional learning priorities; ii) co-financing of learning events and activities, leveraging existing platforms for cost efficiencies and engaging key audiences (e.g., COP sessions, UN conferences, CIF and MDB events, CIFnet platform, etc.); iii) jointly co-commissioning or developing thematic studies, tools and other priority learning products, as relevant and feasible; and iv) links with related organizations, networks and initiatives, such as UNFCCC or COP-related working groups, activities in MDBs, UN or country organizations, and initiatives linked to the Sustainable Development Goals (SDGs), think tanks, and development evaluation and research communities. The specific activities and modalities of this deepened learning partnership, depending on indicative resource allocations, will be further explored in various events and consultations during FY19.

## ANNEX II: LIST OF E&L EVALUATIONS AND ACTIVITIES

52. The following list of E&L activities, organized by learning theme and sub-topic, includes the name of the activity, implementing agency or evaluation firm, and estimated completion date. The list includes larger, strategic cross-cutting evaluations as well as smaller activities implemented by CIF implementing agencies and Observers through Calls for Proposals for demand-driven learning.

| <b>Transformational Change</b>   |                |
|--|----------------|
| Transformational Change Learning Partnership (TCLP)<br><i>Itad, Overseas Development Institute (ODI), Consensus Building Institute (CBI)</i>   | March 2019     |
| Evaluation of Transformational Change in the Climate Investment Funds<br><i>Itad</i>   | January 2019   |
| Evidence Synthesis of Transformational Change in the Climate Investment Funds<br><i>Overseas Development Institute (ODI)</i>   | January 2019   |
| Assessment of approaches, methods, and tools for program and project design that facilitate transformational change<br><i>Asian Development Bank (ADB) and Inter-American Development Bank (IDB)</i>       | May 2019       |
| Building transformative adaptive capacity: Assessing the potential contribution of PPCR to build a climate-resilient water governance framework in Bolivia<br><i>Inter-American Development Bank (IDB)</i> | March 2019     |
| Evaluating the role of leadership in transformational change in PPCR in Asia-Pacific region<br><i>LEAD Pakistan</i>  | January 2019   |
| Evidence gap map and systematic review of transformational change (literature-based)<br><i>Center for Evaluation and Development (CAED), with GCF Independent Evaluation Unit</i>                          | September 2019 |
| <b>Private Sector Investment</b>   |                |
| <b>Private Sector and Concessional Finance in Renewable Energy</b>   |                |
| Effectiveness of public financing in attracting private capital in grid-connected solar projects<br><i>World Bank</i>  | February 2019  |
| The role of concessional financing provided through Clean Technology Fund to overcome investments barriers and help scale-up low carbon technologies<br><i>Bloomberg New Energy Finance (BNEF)</i>         | January 2019   |
| Scaling up rooftop solar in the SME sector in India<br><i>CIF AU/KPMG</i>  | March 2019     |
| <b>Private Sector in Climate Resilience</b>  |                |
| Building an evidence base on private sector investments supporting gender-sensitive climate resilience development in Tajikistan<br><i>European Bank for Reconstruction and Development (EBRD)</i>         | January 2019   |
| Saint Lucia's experience: private sector participation in response to climate change<br><i>Gov't of St. Lucia, Environmental Governance Consulting</i>   | January 2019   |
| <b>Private Sector in Forests</b>   |                |
| Evaluation of Financing Forest-related Enterprises<br><i>International Institute for Environment and Development (IIED)/ LTS International</i>   | February 2019  |
| Pathway for designing a mechanism to incentivize deforestation free landscapes and value chains for green growth<br><i>World Bank</i>  | May 2019       |
| Evaluation of private sector investment models for commercial forestry in Africa   | February 2019  |



| <b>Local Stakeholder Engagement &amp; Benefit</b>   |               |
|---|---------------|
| <b>Participation and Impact</b>   |               |
| Evaluation of Local Stakeholder Engagement in the CIF<br><i>Consensus Building Institute (CBI)</i>  | April 2019    |
| Local stakeholder engagement and benefit in Cambodia: Case studies of PPCR and SREP<br><i>Live and Learn Cambodia</i>   | April 2019    |
| Exploring methodologies to measure household climate resilience in vulnerable countries and communities - Zambia<br><i>World Bank</i>   | February 2019 |
| Filling the data gap: FIP contribution to poverty alleviation and green growth<br><i>World Bank</i>   | May 2019      |
| <b>Indigenous Peoples</b>   |               |
| Learning Review of the Dedicated Grant Mechanism (DGM) for Indigenous Peoples and Local Communities in the Forest Investment Program (FIP)<br><i>Itad</i>   | January 2019  |
| Achieving transformational change through the DGM – an Indigenous lens<br><i>Maori and Indigenous Governance Centre, University of Waikato</i>  | May 2019      |
| <b>Gender</b>   |               |
| Social identity framing to get Mexican Rural Women ‘REDDy’ for participation in natural resource management<br><i>World Bank, CONAFOR</i>   | March 2019    |
| Evaluation of the inclusion of women and gender-related groups, organizations and beneficiaries in the design and implementation of CIF investments and its potential for transformational change<br><i>Women and Environment Development Organization (WEDO)</i> | April 2019    |
| <b>Climate Change and Health</b>  |               |
| Climate change and health in Sub-Saharan Africa: The case of Uganda<br><i>Gov’t of Uganda, Climate Change Adaptation and Innovation</i>   | February 2019 |
| <b>CIF Design and Approach</b>  |               |
| <b>CIF Programmatic Approach</b>  |               |
| Evaluation of the CIF Programmatic Approach<br><i>ICF International</i>   | October 2018  |
| <b>Forest Investment Approaches</b>   |               |
| FIP – Lessons learned from country investment plans<br><i>World Bank</i>  | March 2019    |
| <b>Climate Resilience Approaches</b>  |               |
| PPCR knowledge briefs on resilience microfinance and water resources management<br><i>Oxford Policy Management</i>  | November 2018 |
| Evaluating operational pathways used for modernizing National Hydrological and Meteorological Organizations for weather, water and climate services<br><i>World Bank</i>  | March 2019    |
| Evaluation of sustainable land management and innovative financing to enhance climate resilience and food security in Bhutan<br><i>Bhutan Trust Fund for Environmental Conservation</i>   | February 2019 |
| <b>Complementarity of Climate Funds</b>   |               |
| Maximizing synergy and complementary among International Climate Funds: Evidence, challenges and opportunities<br><i>CIF AU and Arepo Consult</i>   | April 2019    |