Office of Evaluation and Oversight

Summary

Independent Evaluation of the Climate Investment Funds

Inter-American Development Bank
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This is the Executive Summary of the recently completed evaluation of the Climate Investment Funds. The evaluation was prepared by a consulting firm selected and supervised by a joint working group of the independent evaluation offices of five MDBs –ADB, AfDB, EBRD, IDB, and the World Bank. This evaluation was requested and paid for by the CIF Trust Fund Committees in accordance with the governance frameworks of the two Climate Investment Funds which provide that "an independent evaluation of the operations of the CTF [and SCF] will be carried out jointly after three years of operations by the independent evaluation departments of the MDBs". It is the first such joint exercise among five MDB evaluation offices. The evaluation was presented to the CIF Trust Fund Committees at their June 2014 meeting. The full text and annexes of the evaluation are available at http://www.cifevaluation.org.

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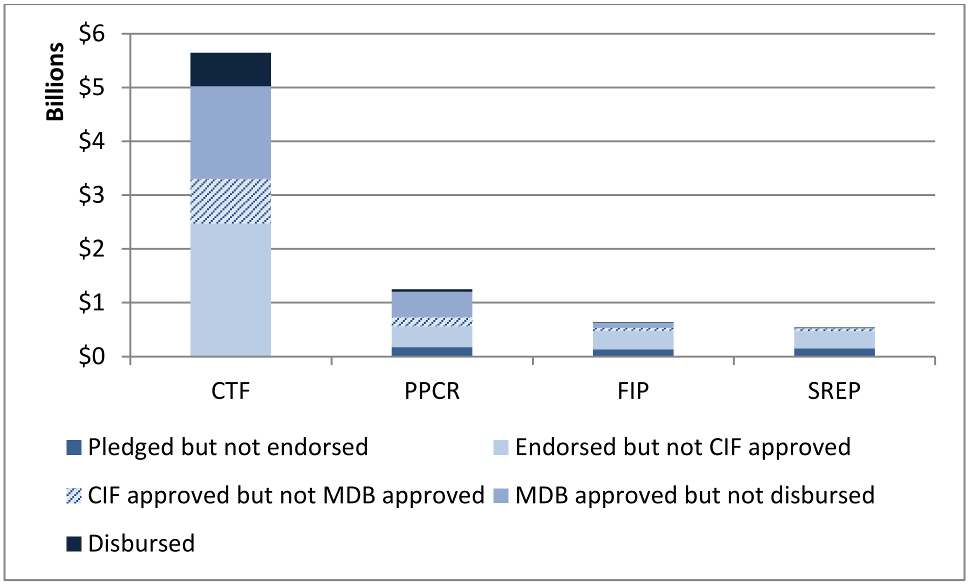
Independent Evaluation of the CIF: Executive Summary

Background: the Climate Investment Funds

The Climate Investment Funds (CIF) were established in 2008 as an interim measure pending the effectiveness of a United Nations Framework Convention on Climate Change (UNFCCC)-agreed structure for climate finance. They were designed to provide new and additional financing to complement existing bilateral and multilateral financing mechanisms in order to demonstrate and deploy transformational actions to mitigate and adapt to climate change. The funds also aim to promote international cooperation on climate change, to foster environmental and social co-benefits of sustainable development, and to promote learning-by-doing. The CIF comprise the mitigation-focused Clean Technology Fund (CTF) and the Strategic Climate Fund (SCF), which encompasses the Pilot Program for Climate Resilience (PPCR), the Forest Investment Program (FIP), and the Scaling up Renewable Energy Program (SREP). Donors have pledged about $8 billion to the CIF, making them the largest multilateral climate funds worldwide.

The CIF operate through the Multilateral Development Banks (MDBs)—African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, Inter-American Development Bank, and World Bank Group—and outside the guidance of the UNFCCC. Recipient countries, assisted by the MDBs, develop investment plans, which identify and describe potential projects—as well as the strategic national or regional context of the projects—with the intention of guiding the further development of activities for CIF funding. Implementation is still at an early stage, with disbursed funding representing about 9 percent of overall endorsed funding, as illustrated in Exhibit ES-1 below.

Exhibit ES-1: Status of CIF Projects as of December 31, 2013



Source: Data provided by the CIF Administrative Unit on May 5, 2014. Pledged funds represents pledges valued on the basis of exchange rates as of September 25, 2008, the CIF official pledging date.

Note: "Endorsed but not CIF approved" funds have been allocated to a CIF-endorsed investment plan but not yet to a CIF-approved project. "CIF approved but not MDB approved" funds are associated with a project that has been approved by a CIF Trust Fund Committee or Sub-Committee but is awaiting approval by the respective MDB.

Nature and purpose of this evaluation

The CIF design provided for an independent evaluation by the independent evaluation departments of the MDBs after 3 years of operation. An Evaluation Oversight Committee (EOC), which included members from those departments, drafted an Approach Paper, revised after public consultation, which forms the basis for this report. Additionally, the EOC set up an International Reference Group of eminent experts to advise on the evaluation and comment on its conduct. A consultant, ICF International, was selected via international competitive procurement to perform the evaluation. This evaluation was fully independent of CIF management.

This evaluation has two principal purposes:

- To assess the development and organizational effectiveness of the CIF to date.
- To document experiences and lessons for the benefit of the Green Climate Fund (GCF).

Since the CIF are less than six years old—and most CIF projects are still on the drawing board or in early execution—this evaluation is primarily formative. It focuses on the organizational effectiveness of the CIF, and on prospects for development effectiveness and climate impact as indicated by plan and project design, and by early implementation experience. The evaluation draws on desk review of documents, data analysis, a survey of MDB staff, and visits to 13 investment programs in 10 recipient countries. Interviews were conducted with nearly 800 stakeholders from MDBs, the CIF Administrative Unit, CIF contributor and recipient countries, civil society organizations, private sector organizations, and other stakeholders. Note that field visits provide in-depth insights on country experience but cannot necessarily be generalized.

Global relevance and future of the CIF

Established in 2008, amidst a field of many global, bilateral, and national climate funds, the CIF are differentiated by complete reliance on the MDBs for implementation, a programmatic approach to investment planning, an aim of inducing transformational change, and more emphasis on private sector engagement. The CIF are distinctive especially in having relatively larger programs at the country level, potentially allowing greater impact. This is achieved by focusing on a smaller number of countries. The CTF lacked a formal country selection process, while country selection in the SCF was more transparent.

The CIF have not yet clarified their interpretation of how and when to exercise the sunset clause, introducing uncertainty into their operations. The sunset clause, an underpinning of the CIF's legitimacy when founded, requires each Fund "to conclude its operations once a new financial architecture is effective," with the proviso that it may decide to continue operations "if the outcome of the UNFCCC negotiations so indicates."[1] The landscape of climate finance has changed since the CIF were founded, and the GCF—the embodiment of the new financial architecture—is approaching operational readiness. Amidst this uncertainty, SREP has moved forward with new pilot countries and some contributors have made known their intent to pledge funds, while PPCR, FIP, and CTF have held dialogue regarding expansion, but have elected not to expand to new countries at this time.

Governance

The CIF draw legitimacy from a principle of equal representation, consensus decision-making, inclusivity of observers, and transparency. Compared to other funds, observers at the CIF have greater voice. There is scope for improving engagement with the observers' large constituencies. Transparency at the CIF has improved and is on par with best practice among global partnerships.

Governance efficiency and effectiveness have been hindered, however, by the CIF's complex architecture, including the two-fund design and the establishment of six separate governing bodies. (This structure resulted from different preferences among contributors on the use and mode of funds.) The consensus decision rule, together with the lack of a secretariat with a strong executive function, has hampered efficient decision-making, resulting sometimes in indecision and micromanagement. Responsibilities for management of risk and conflicts of interest were not originally designed into the governance framework, a deficiency now being addressed. CIF governance has been slow to resolve major strategic issues, although progress has been made over time.

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1 Governance Framework for the CTF, December 2011; Governance Framework for the SCF, December 2011.

Management, operations, and quality control

The CIF's 'light touch' approach relied on the MDBs for supervision, quality control, fiduciary controls, safeguards, and accountability at the project level, with remaining management responsibilities assigned to an administrative unit, rather than a secretariat with an executive function and responsibilities for technical review. The CIF Administrative Unit has been responsive, proactive, and well-regarded by stakeholders. It has maintained a lean budget while carrying out an expanding program and accepting additional duties from the governing bodies.

However, the 'light touch' was achieved in part by shifting responsibilities elsewhere. The governing bodies maintained review responsibilities for investment plans and projects. Some contributors have devoted substantial effort to review functions. Requirements for formal external review of SCF investment plans and CTF projects have added little value to MDB procedures, often coming too late in the process. Compounding the issue for CTF were imprecise and sometimes overly complex investment guidelines. The result was an involved approval process (see below) that did not always guarantee project consistency with CTF investment guidelines.

There were tensions between trusting MDB systems and ensuring accountability at the CIF-level. The MDBs have no formal process for applying quality control, safeguards, or evaluation at the level of the country investment plan, and the CIF Administrative Unit (CIF AU) was not designated or adequately staffed to handle these responsibilities. There has been a tendency to expand the management system and layer-on CIF-level requirements (e.g., external review of SCF investment plans and CTF projects), and the CIF AU has recruited specialists in gender and risk management.

The choice to rely on MDB safeguard systems reflected contributor confidence that these systems were well-established; it is beyond the scope of this evaluation to assess the individual MDB systems, and too early to assess on-the-ground effectiveness. When multiple MDBs co-finance a project, the most stringent safeguards prevail. FIP guidelines are ambiguous on whether free, prior and informed consent (FPIC) rules apply to projects affecting indigenous people; in FIP fieldwork, civil society and indigenous peoples raised concerns on the inconsistency of FIP consultation processes with FPIC.

Through the role of the MDB Committee, the CIF have institutionalized a platform that has enhanced MDB collaboration, and has fed MDB technical expertise into CIF operations. MDBs have effectively coordinated to support country-led preparation of investment plans—a role that has proven particularly important for lower capacity countries. Opportunities remain to improve MDB coordination, including those related to GHG accounting and to within-country operations.

Progress through the project cycle has often lagged behind CIF norms, and is associated with factors at the Program, country and project levels. The CIF project cycle involves endorsement of a country's investment plan by the CIF committees, followed by CIF approval of each constituent project, and finally MDB project approval. At the first stage, CTF investment plans have tended to progress relatively rapidly to endorsement. These CTF plans are prepared by middle income countries, typically involve a lesser degree of stakeholder consultation than in the SCF, and focus on a limited number of sectors. Many CTF plans built on project concepts already in MDB pipelines.

In contrast, three-quarters of PPCR recipients and half of FIP recipients have not met PPCR and FIP's indicative timelines for investment plan preparation. To some extent, this reflects a trade-off between quality/extent of consultation and speed of preparation, and longer preparation times may contribute to better government leadership and integration of investments with national strategies (i.e., ownership).

Overall, the greatest incidence of delay has been in the project preparation stage, after plan endorsement. Of projects that are 18 months or more past endorsement, only about a quarter were CIF approved in less than 18 months and nearly half were not yet approved as of June 2013. Factors contributing to delay include technology novelty or complexity, implementation readiness, and political changes. Other characteristics of delayed CIF projects, such as which MDB is implementing the project, co-financing sources, and public versus private sector, did not show a clear relationship to delays leading to CIF approval. At the final stage, from CIF approval to MDB approval, private sector projects lagged public sector projects relative to their respective targets.

The CIF have set ambitious climate and development benefit objectives, but have given inconsistent messages about the relative importance of these objectives. The CIF lack guidance on how to manage trade-offs among these objectives, as well as a clear way operationally to weigh these objectives at the governance level.

The CIF began without a gender focus, but attention to gender increased over time in investment plans. Fieldwork for the evaluation showed some risk to follow-through in implementation. The CIF have recently hired a gender specialist.

Transformation in the CIF

Transformative impact is a major goal of the CIF, and a justifiable one. CIF resources—and even hoped-for GCF resources—are small relative to global needs, so it makes sense to focus those resources where they will do most to advance transformation to a climate resilient, low-carbon economy.

The goal of transformation was not consistently pursued, in part because of uneven focus on addressing the barriers to impact and replication. Some CIF projects are clearly transformational in goal or design. For instance, the total aggregate CTF investments in Concentrated Solar Power could help reduce the cost of this globally relevant technology, and FIP investment plans in Burkina Faso and Mexico chart a path towards transformed forest management. SREP plans would represent substantial increments to national power supply for most countries.

However, many CTF plans and projects lack a convincing theory of change that explains how replication and broader uptake will be achieved. CTF investment criteria for transformational impact focus on quantifying GHG emissions reductions rather than the logic of demonstration effect, barrier removal, or the mechanisms for replication. CIF claims of financial leverage often carry an unsubstantiated implication that the CIF has attracted funds that would not otherwise be forthcoming. FIP design documents do not clearly define how transformational change is to be achieved and demonstrated, and more than half of FIP investment plans do not address the strongest drivers of deforestation and forest degradation.

Development effectiveness of the four CIF Programs

Assessment of potential development effectiveness in this evaluation is based mostly on investment plans and project design. For the CTF, only, there are a few projects that have progressed far enough to assess early results.

Clean Technology Fund. The CTF is the largest and most advanced in implementation of the Programs. As of mid-2013, CTF had made progress toward co-financing and installing renewable energy capacity, but few energy efficiency programs are under implementation, and no public transport projects are reporting results yet. Factors driving CTF implementation performance include country leadership with government focal points with the authority and ability to manage disbursement; existing MDB relationships and technology track records; and mature policies, regulations, and financial sectors.

On the whole, CTF investment plans describe projects that would substantially boost installed renewable energy generation capacity or would reduce power consumption by 1 to 8 percent, if successfully implemented. But the mechanism by which they might be scaled up and replicated is often lacking. The policy, regulatory, and macroeconomic situation in more than half of CTF countries has the potential to slow down or limit transformation and replication. These CTF countries have supportive policies in place that provide building blocks, but lack implementing regulations specifying key details of the regulatory environment, weakening the potential for immediate replication. Noninvestment-grade credit ratings are also a limiting factor in some countries.

Pilot Program for Climate Resilience. PPCR's Phase 1 is intended to facilitate cross-sectoral dialogue to achieve a common vision of climate resilience and develop a Strategic Program for Climate Resilience (SPCR), (i.e., investment plan). SPCR development has proved to be flexible by tailoring its approaches to country capacities, political structures, and availability of other development programs. But the added value of PPCR's Phase 1 has varied by country; fieldwork in three PPCR countries suggested that the strength and centrality of the PPCR focal point agency affects the degree to which the SPCR fosters linkages among institutions and stakeholders in support of climate mainstreaming. Fieldwork also suggested that limited ongoing engagement with multi-stakeholder consultative processes—especially after SPCR endorsement—has inhibited the development of strong and inclusive networks of stakeholders with the capacity to support SPCR project interventions.

Three-quarters of SPCRs focus on integrating climate vulnerability and adaptation knowledge into national development and poverty reduction policies and strategies. About two-thirds discuss potential use of community-based adaptation methods and approaches. The use of climate risk reduction systems that are highly responsive to the needs and conditions faced by vulnerable peoples and social groups is featured in many SPCRs. However in fieldwork countries, positive features of SPCRs—such as focus on vulnerable communities, gender equality in project strategies, and multi-stakeholder collaboration for program implementation—were sometimes lost in the transition to implementation, due to lack of strategy or commitment. Fieldwork also found that early designs for climate information services and water management and agriculture resilience projects did not assure that the needs of vulnerable communities and households would be met.

Forest Investment Program. Major activities have been identified in about half of the FIP countries to support the improvement of the policy and regulatory framework for sustainable forest land use and private investments. However, many FIP plans fail to show clearly how projects can jointly contribute to sectoral transformation and associated institutional and policy changes, shifts in forest management paradigms, and re-orientation of sector strategies and investment priorities—all of which are crucial for scaling-up. While it would be unrealistic to expect that FIP could achieve transformational change alone—given relatively modest resources and the vast needs of some countries such as Indonesia and Brazil—more than half of FIP plans do not clearly describe how FIP fits into the broader United Nations Reduced Emissions from Deforestation and Forest Degradation Programme (UN-REDD) country context, making it difficult to understand how these plans would complement other ongoing and planned efforts.

FIP in most countries has brought financing to address jointly identified forestry issues in the REDD context, especially in smaller countries where FIP finance plays a bigger role. FIP has also built on important national REDD+ planning processes and dialogue platforms.

Scaling Up Renewable Energy Program. As noted**,** SREP investment plans present potential for substantial gains for renewable energy supply; expected impacts on electricity access are more modest, with the exception of Nepal. All investment plans also include funding for capacity building of key stakeholders and institutions and advisory services to support policy changes, consistent with SREP's objective of a programmatic approach.

SREP stakeholders place different emphases on the Program's goals of increased access to clean energy and increased supply of renewable energy; the result has been a portfolio with about 61 percent of funds focused on grid-tied renewable energy. SREP off-grid projects have focused largely on addressing energy needs in rural and remote areas with no power infrastructure, where small-scale, distributed renewable energy technology is appropriate. A strong focus on mini-grid systems is also consistent with SREP's focus on productive uses.

Private sector engagement and risk management

The CIF have recognized the importance of the private sector in scaling-up climate change mitigation and adaptation activities. Several factors have depressed the direct provision of funds to the private sector. Within countries, the government-led investment planning process has tended to prioritize public sector over private sector investments. The length of the investment planning process has dampened private sector interest. And in some countries, weak private sector capacity has required re-sequencing of activities, starting with awareness raising and capacity building before moving on to investment. The CIF have begun to address these hurdles through private sector set-asides in the CTF and SCF.

The CIF do not utilize the full range of available financial instruments (such as equity investments), impeding their ability to use funds to support high-risk, high-return investments. This is because CIF funds are pooled by contributors with different degrees of risk tolerance, lenders being generally more conservative than those who furnish grant or capital funds. Because losses are shared, the CIF skew towards risk aversion. Risk aversion has dampened the CIF's appetite for risky (potentially innovative) private sector projects, which has led to delay and some missed opportunities to pilot and learn from experience with new instruments.

Investment plans, national ownership, and consultation

Programmatic national investment plans are an innovation of the CIF. The investment plan process has largely secured strong government ownership and alignment of CIF plans with existing national strategies and programs. MDBs and governments have collaborated effectively to develop investment plans, and development partners have been engaged in the process in all CIF countries. The investment plans were less successful in spurring intra-governmental coordination. Positive examples include the Democratic Republic of Congo, Mexico, and Peru. In other cases, coordination was undermined by a lack of clear roles and responsibilities, perceptions of limited strength and capacity of the coordinating ministry, an ineffective coordinating unit, and dilution of donor funding by dispersing amongst too many agencies.

The SCF consultation process has been more inclusive than that of the CTF, and development partners have been engaged in almost all planning processes. There are concerns, however, about the quality and depth of stakeholder engagement and inclusiveness, particularly with regard to women and indigenous people. Broader public ownership of the investment plans was compromised in about half of the fieldwork countries, due to shortcomings in the stakeholder engagement process. This stemmed in part from a lack of clear CIF guidance (except in FIP) on expectations for consultation. CIF consultations in most fieldwork countries were perceived by stakeholders as information-sharing rather than real opportunities to influence the direction of the plan, or to actively participate in decision-making, with the result that consultations did not substantially affect the design of investment plans. Many consultation processes were "one-offs," with limited communication after consultation meetings or workshops. Communications were also not sustained after investment plan endorsement. As a result, investment plan accountability and legitimacy to citizens and beneficiaries has been limited in some countries, and opportunities for feedback in implementation are lacking.

Learning, monitoring and evaluation

Learning is a pillar of CIF objectives and was embraced from the outset through strategy and program development, the Partnership Forum, and human and financial resource allocation. Consistent with its pilot nature, the CIF have undertaken inwardly focused learning which has resulted in improvements in their organizational performance, for instance through reappraisal and revamping of their results frameworks.

The CIF also have a vast potential to develop and disseminate outwardly focused learning on how countries can respond to the challenge of climate change. This potential has been partially realized. CIF global knowledge products have been improving over time and moving toward more in-depth assessment in thematic areas, although opportunities remain to learn more explicitly from negative experiences. Pilot country meetings have offered an important and well-received forum for exchanging lessons learned from investment planning and implementation across countries.

At the project and investment plan level, the emphasis on learning has not been sufficiently institutionalized, however. Incorporation of information sharing and lesson-learning elements is stronger in SCF investment plans and projects than in CTF, where these elements are lacking. Recent project approvals show an uptick in CIF intentions to incorporate impact evaluations into projects.

CIF monitoring and reporting systems have made substantial positive progress after a slow start. The initial results frameworks were inconsistent across Programs, and the number and complexity of indicators overtaxed the capacity of national monitoring and evaluation (M&E) systems. The frameworks have been simplified and toolkits developed. The PPCR is breaking ground on the development of adaptation M&E systems at aggregated levels. The inclusive, iterative process of developing and revising the results framework has led to broad stakeholder buy-in, but compromised the timeline, and possibly the value of the indicators.

The CIF M&E system is appropriately envisioned as a multi-level system, but differences in MDB GHG accounting methodologies and gaps between CIF systems and MDB operational procedures diminish the robustness of the system. There is also incomplete alignment between results frameworks at the project, investment plan, and Program level. This limits the CIF's ability to understand how project-level results contribute to country- and Program-level results. Significant work also remains ahead to develop data quality procedures and provide data analysis and use plans.

The CIF have no provision for independent evaluation at the national, Program, and CIF level, with the exception of this evaluation. (To a limited extent, independent evaluation at the project and country level is carried out by the respective independent evaluation units of the MDBs.)

Summary of actionable conclusions and recommendations and considerations for the GCF

Exhibit ES-2 below summarizes actionable conclusions and presents recommendations for the CIF alongside considerations for the GCF. Some of the following recommendations only pertain to a scenario where the CIF continue to accept and program new funds; others would also apply in scenarios in which the CIF continue to manage their existing portfolio of endorsed and approved plans.

Exhibit ES-2: Summary of Actionable Conclusions and Recommendations for the CIF and Considerations for the GCF

Findings and Lessons	Recommendations for the CIF	Considerations for the GCF
On the role and future of the CIF		
The lack of a strategy with respect to CIF's sunset clause is causing uncertainty in operations. SREP is actively expanding through new pledges and soliciting additional pilot countries; other Programs have deferred.	• Put in place a strategic or contingency plan with respect to the sunset clause that distinguishes between maintenance of the existing pipeline of plans and projects and initiation of new ones.	• The CIF would need to coordinate with the GCF were there to be a transfer of any responsibilities associated with existing funds and project portfolio.
Governance and management		
CIF governance structure has achieved legitimacy in design through an inclusive and balanced framework, and expanded role for observers, and good disclosure and transparency. Efficiency and effectiveness has been hindered by the CIF's complex architecture, consensus decision rule and lack of a secretariat with strong executive function. However, CIF have shown a capacity for organizational learning and adaptation over time.	• Look to best practice in meeting and decision-taking procedures from other corporate and multilateral organizations with non-resident governing bodies. • Consider defining categories of decisions for which consensus is not required. • Delegate some approval and other decision-making responsibilities to working groups. • Delegate operational decisions to the administrative unit, subject to strategic guidance from the Trust Fund Committees (TFC).	• The GCF may wish to look at best practice in meeting and decision-taking procedures from other corporate and multilateral organizations with non-resident governing bodies. • Efficient governing bodies often delegate non-strategic and lower-level operational decisions to Board subcommittees or to the Secretariat. • Consensus decision making has advantages and disadvantages. • Innovative new organizations benefit from flexibility to learn and to adapt their procedures and structures.
Operations and quality control		
The Trust Fund Committees have maintained review responsibilities at the investment plan and project level, and over time added extra layers of duties to the administrative unit. Requirements for formal external review of projects have added little value to MDB procedures, coming too late in the process. Review functions have been undertaken by some contributors. Vague and sometimes contradictory CTF investment guidelines are not always complied with despite the layers of approval. Delay in the project cycle has been most notable in the project preparation stage, after plan endorsement. Factors contributing to delay include project novelty or complexity, lack of implementation readiness, and political changes.	• Reframe CTF investment guidelines to be more realistic and less ambiguous. • Explicitly recognize, and offer guidance on trade-offs among objectives. • External project review, if used, should come earlier in the cycle.	• To the extent that the GCF will want to verify proposal quality or consistency with guidelines, the recommendations to the left will be relevant. • Ambitious, complex, and innovative projects in the climate realm take time; enabling conditions are important. • Consider adopting a variant of the IDB model of including with project proposals a self-assessment of evaluability, including presence of a robust logical framework that would be independently validated after approval.
The CIF began without a gender focus, but attention to gender increased over time in investment plans, though not	• MDBs and CIF should maintain attention to gender in project design and execution.	• There are continuing challenges to incorporate gender perspectives in climate investments.

Findings and Lessons	Recommendations for the CIF	Considerations for the GCF
always in consultations. Fieldwork for the evaluation showed some risk to follow-through in implementation. The recent appointment of a gender specialist is a step forward.		
Transformation, leverage, and impact		
Some projects are plausibly transformational; others lack a convincing logic of transformation and impact. Leverage and cost-effectiveness are incorrectly or inconsistently calculated. Core indicators do not always capture steps to long term transformation, for example in the form of institutional change. Factors driving CTF implementation performance include: country leadership with government focal points with the authority and ability to manage disbursement; existing MDB relationships and technology track records; and mature policies, regulations, and financial sectors. The policy, regulatory, and macroeconomic situations in more than half of CTF countries has the potential to limit or delay transformation and replication.	• Agree on a specific interpretation of 'transformation' that focuses on the logic of demonstration effects, lowering technology costs through economies of scale, and removing policy and regulatory barriers. Ensure that research and learning is geared to identify key barriers to impact and assess the degree to which CIF interventions address those. • Adopt and enforce a more rigorous definition of cost-effectiveness of emission reduction. Discontinue the use of the term 'leverage' and devote effort to better understand when CIF has actually catalyzed private sector and other finance as a consequence of its investments. • Recognize that projects and plans focused on transformative institutional changes may not yield near-term carbon or resilience benefits.	• The GCF's goal of promoting 'paradigm shifts' will, like 'transformation', encounter definitional and measurement problems. The CIF recommendations (left) may have analogs for the GCF.
Risk management		
Risk management has been unstructured in the CIF, although the development of a CIF-wide risk management framework is underway. Some stakeholders in the CIF are risk averse and thus, the CIF does not deploy the full range of originally-intended financial instruments. This is particularly the case for private sector engagement.	(If the CIF continue to initiate investment plans:) • Find ways of matching contributor risk preferences to different elements of the CIF portfolio. • Pursue innovative mechanisms for private sector engagement.	• Innovative and 'paradigm shift' efforts are inherently risky, with the potential of both informative failure and high payoffs. This suggests focusing results attention on *portfolio* performance at the national or global level, rather than the project level. The GCF may wish to consider the ideas to the left.
Private sector engagement		
The CIF have taken big strides forward in engaging the private sector, but have encountered some of the same hurdles as other climate funds. Government-led investment planning in most countries prioritized public sector over private sector investments, and the length of the investment planning process undermined private sector engagement. The CIF have begun to address this issue through SCF private sector set-asides and CTF's	• Deploy a wider range of financial instruments. • Place greater emphasis on capacity building, and on complementary public sector actions such as improving the enabling environment, supporting policy and regulatory reform, and building supporting physical infrastructure.	• Private sector investors need rapid decisions on funding. • Policy and regulatory reform can remove barriers to private sector investment; programmatic series of policy based loans or grants are one avenue to accomplish this. • Capacity building may be important for

Findings and Lessons	Recommendations for the CIF	Considerations for the GCF
dedicated private sector program.		countries with weak private sectors.
Investment plans, national ownership and consultation		
Investment plans have succeeded in securing strong government ownership, but with uneven results in promoting mainstreaming and coordination. In most fieldwork countries, concerns were raised about the quality and depth of consultations at the investment plan level.	• (If the CIF continue to initiate investment plans): Improve guidelines on consultation procedures at the investment plan level, encouraging the formation of enduring participatory structures.	• If the GCF adopts programmatic loans it may wish to consider suggesting guidelines on participatory processes.
Learning and evaluation		
Aside from this report, there is no provision for independent evaluation at the national, Program, or Fund level, or for a summative evaluation of the CIF.	• Invite the Global Environment Facility's Independent Evaluation Office or the GCF Independent Evaluation Unit to cooperate on independent evaluation tasks, with funding directly from the Trust Fund committees. This could include a summative evaluation of the CIF. • Ensure that projects are aligned with and describe linkages to Program-level results.	• There are substantial needs for capacity building at the national level to be able to track and analyze progress towards low-carbon and resilient development.
The CIF have vast potential to provide valuable lessons on responding to the challenge of climate change. There are insufficient plans for learning from projects, although a few projects are beginning to incorporate impact evaluations.	• Integrate real-time feedback, learning, and rigorous assessment of impact into project activities; if needed, use grant funds to defray added costs of implementation that generate widely-applicable lessons.	• Rapid feedback and learning from projects in implementation allows 'course correction' and improves outcomes. It also provides global benefits in understanding what works, what doesn't and why. Thus there is strong rationale for additional grant financing and other ways of incentivizing more rigorous and timely monitoring and evaluation.