

Exploring Climate Finance Effectiveness

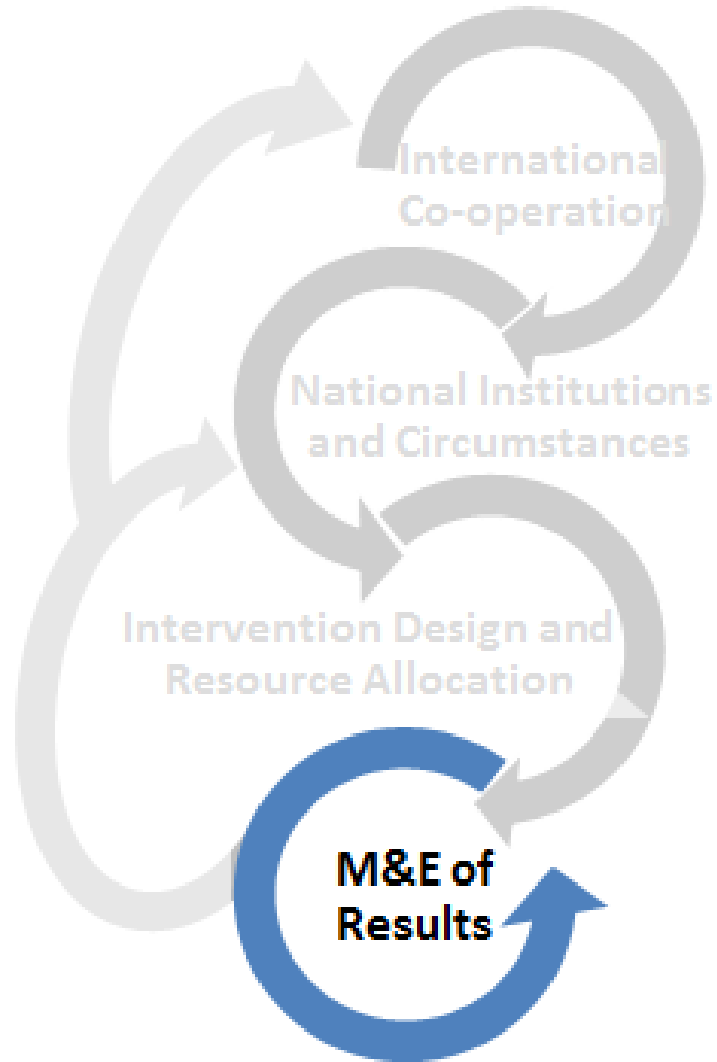
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Based on the discussion paper "Exploring Climate Finance Effectiveness" by Jane Ellis, Randy Caruso, Stephanie Ockenden

CCXG Global Forum
18 September 2013

Focusing on results



Presentation outline

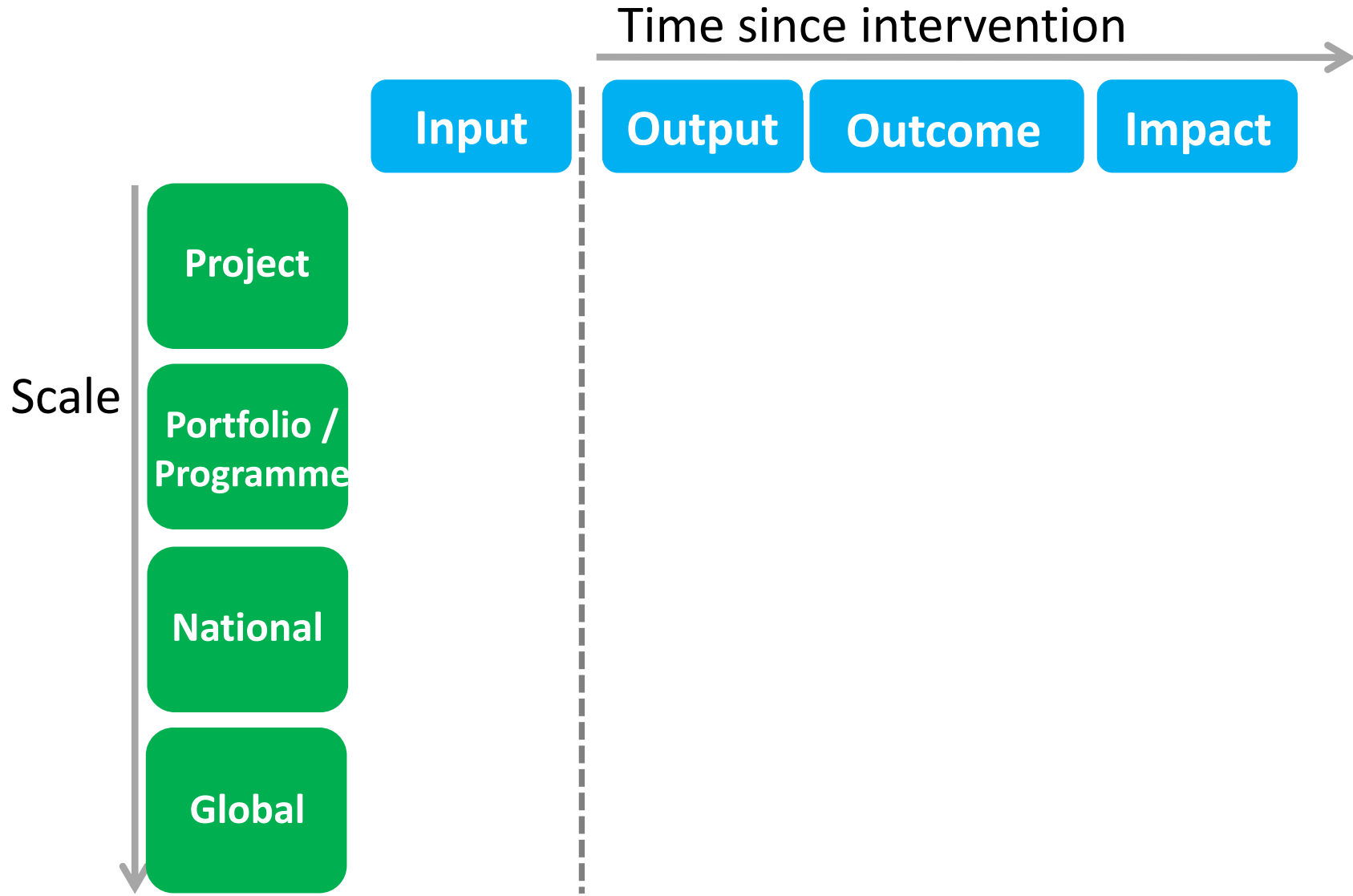
- Walk through three observations related to the following questions on results frameworks:
 1. What types of indicators are being used?
 2. What is the scope of these indicators?
 3. What are the core issues in implementing results frameworks?
- Questions for discussion

1. What types of indicators are being used?

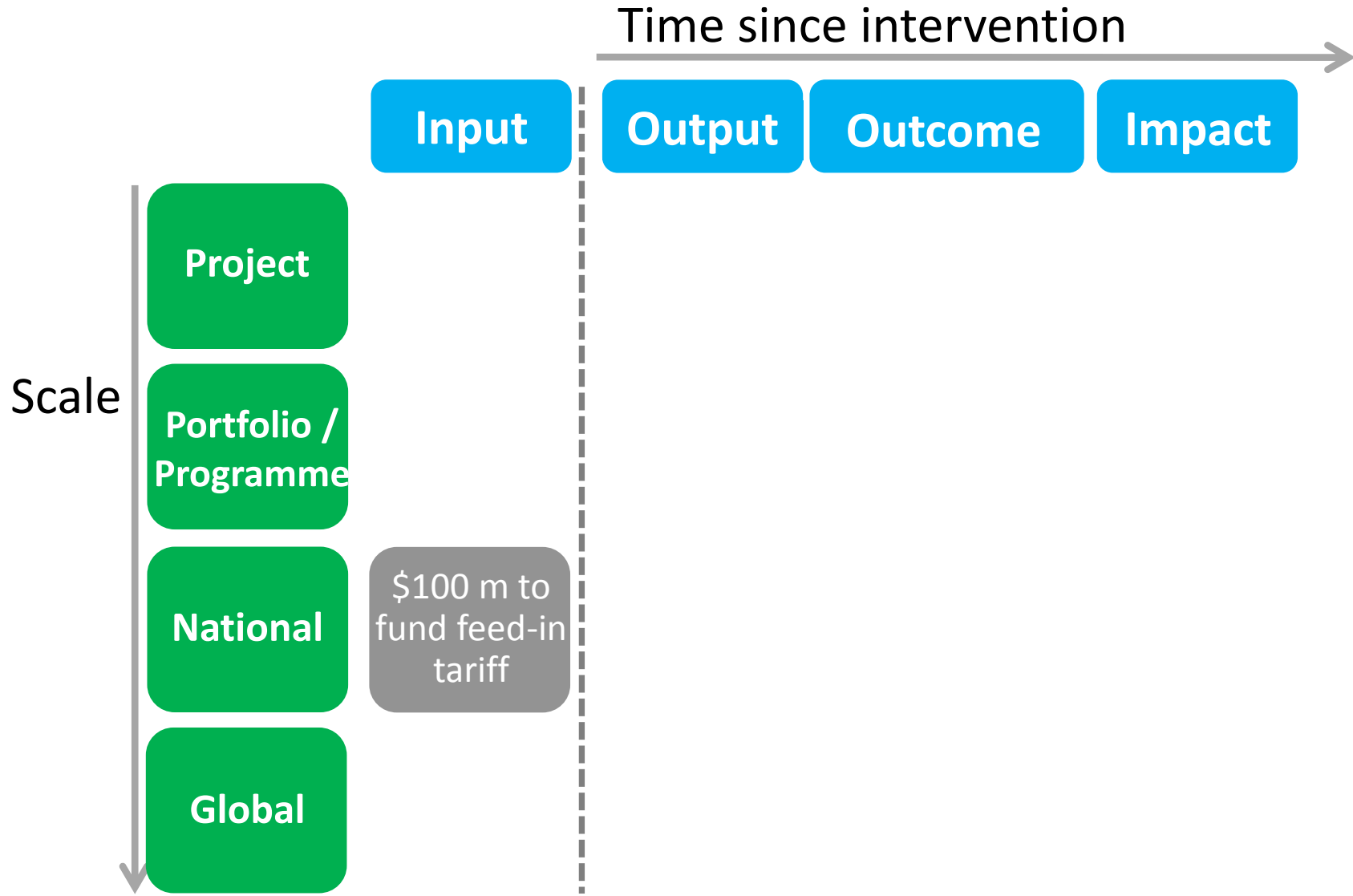
1. What types of indicators are being used?

- **While all institutions place a focus on results, chosen indicators are not always linked to impacts – often focusing instead on outputs or outcomes.**

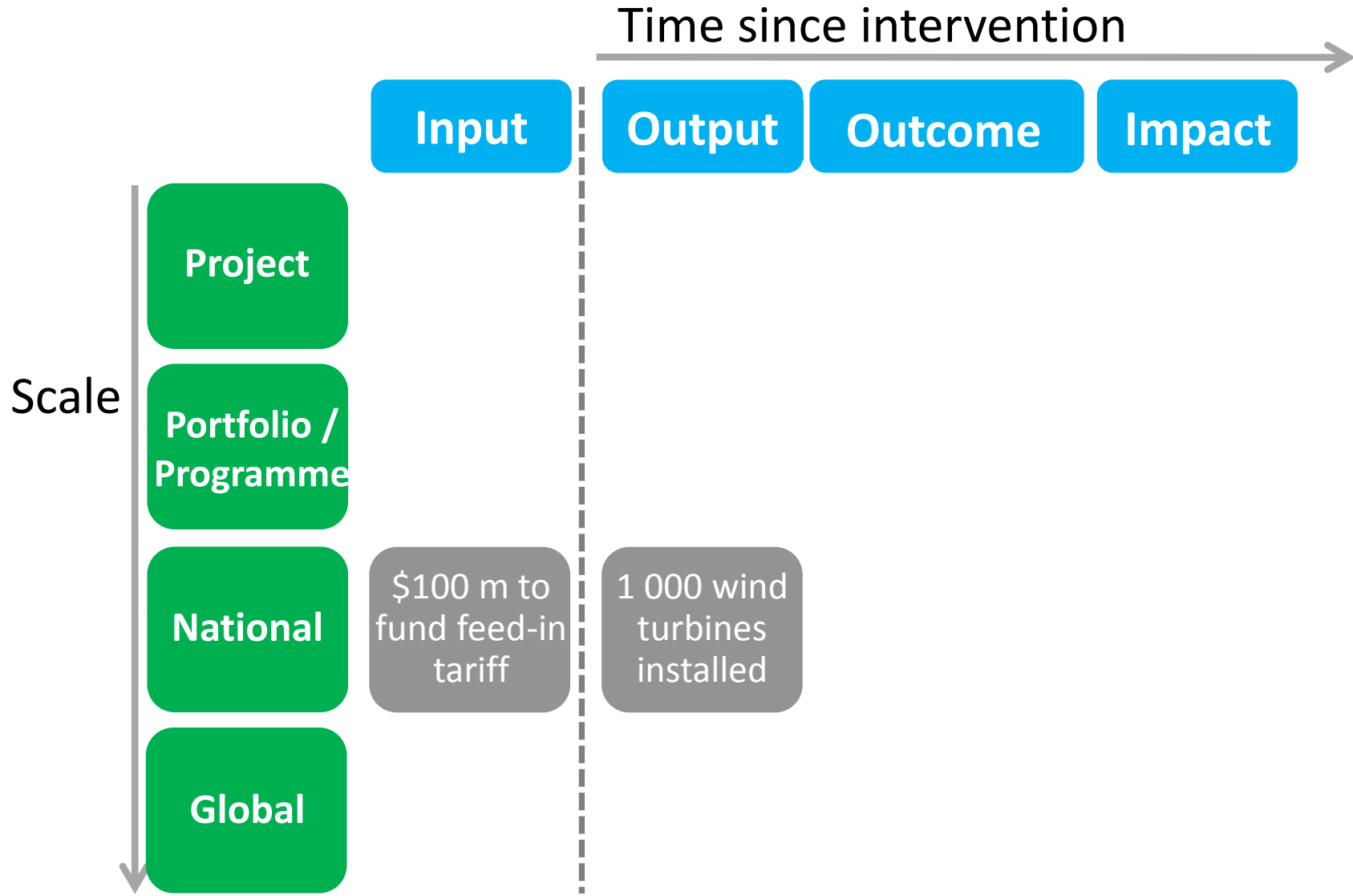
Results frameworks



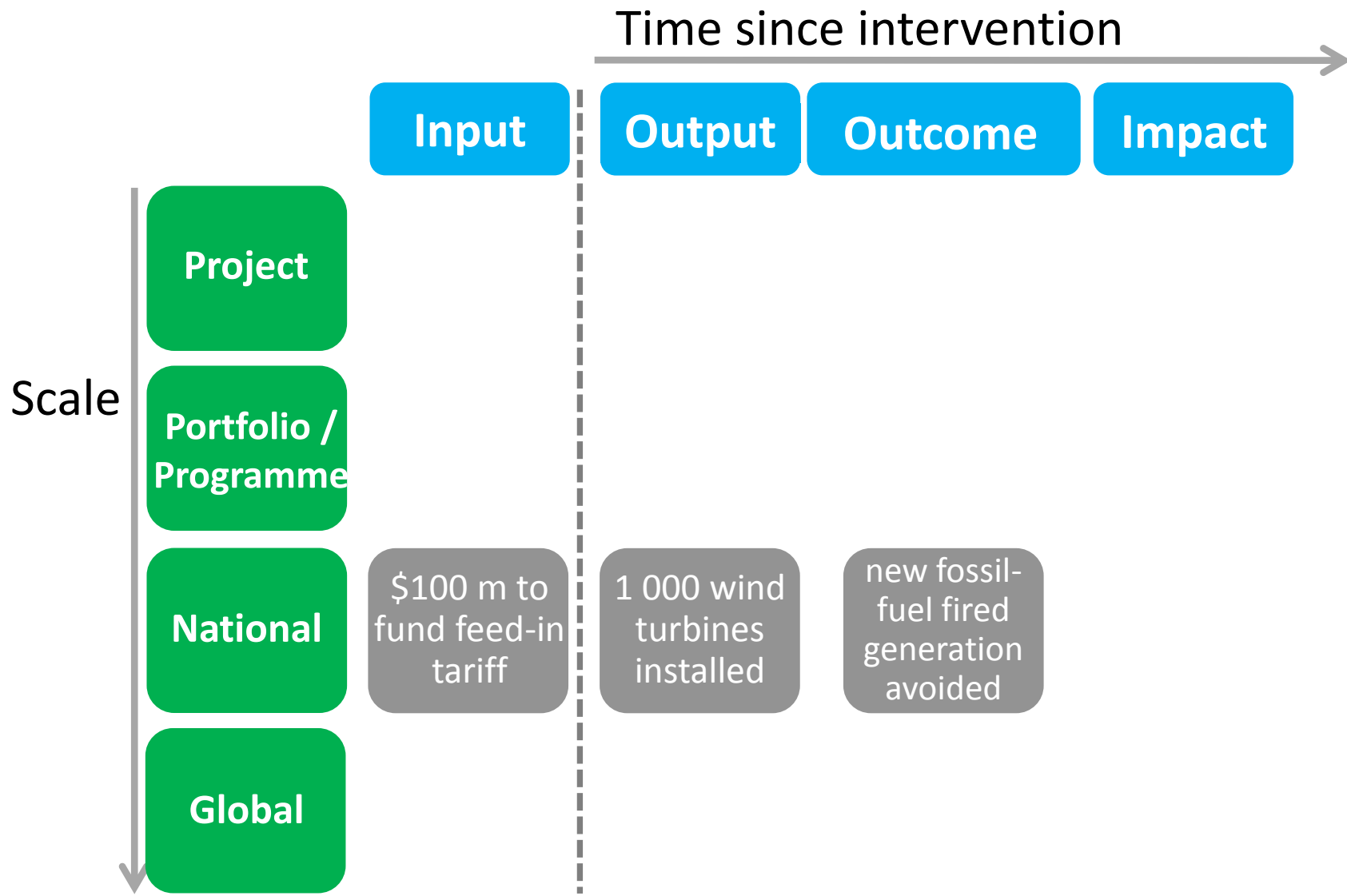
Results frameworks



Results frameworks

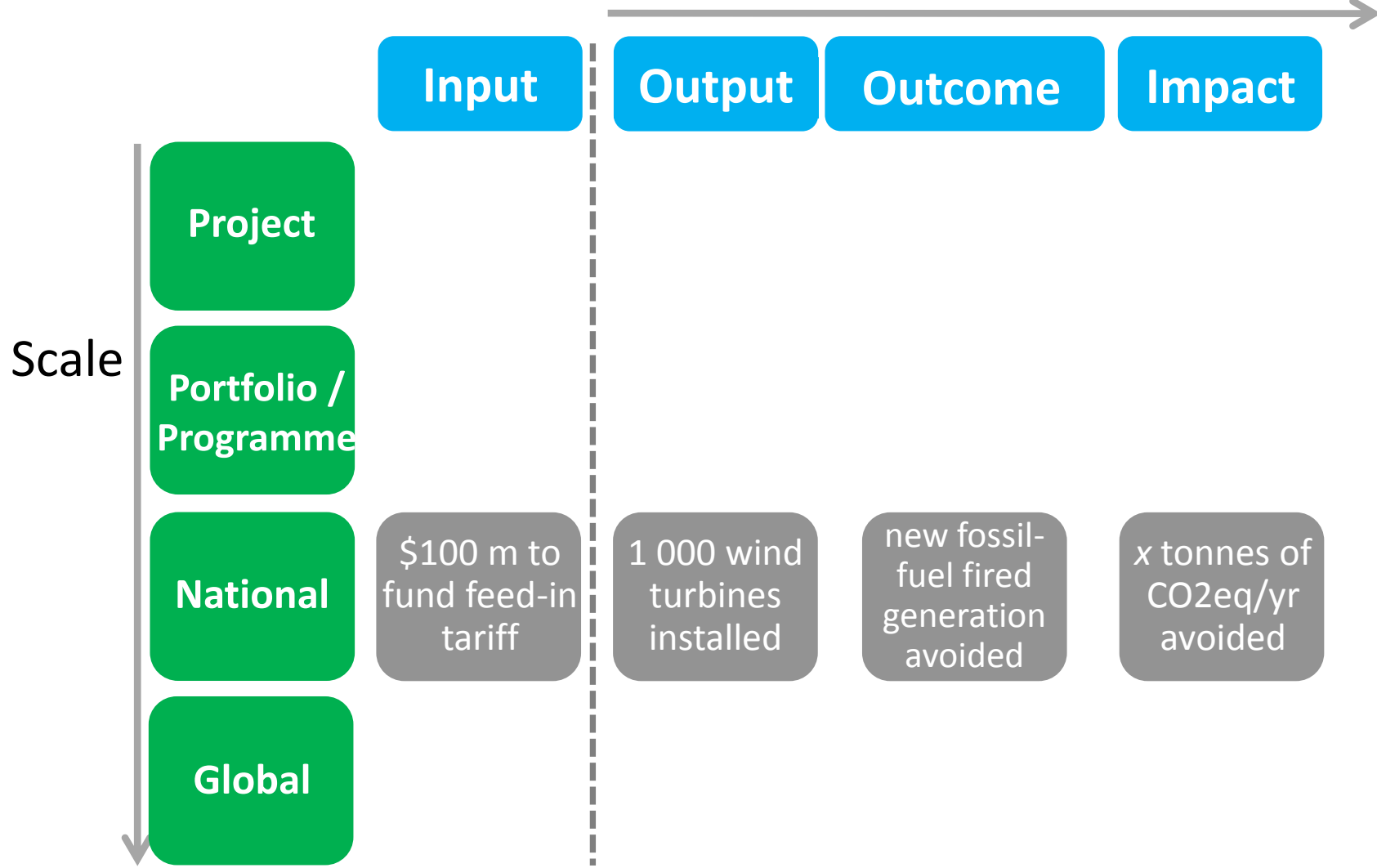


Results frameworks



Results frameworks

Time since intervention →



2. *What is the scope of these indicators?*

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- **Results frameworks are often multi-dimensional, with indicators extending beyond climate-specific areas into broader development areas**

Breadth of results frameworks

Mitigation

Adaptation

Mitigation-specific indicators

- Policies
- Energy efficiency
- Renewable energy
- GHG emissions
- tCO₂ sequestered

Broader development indicators

- Finance mobilised
- Access to energy
- Access to transportation
- Livelihoods
- Land use and forests
- Biodiversity
- Local env. quality
- Water
- Food security
- Health
- Sanitation
- Tech transfer

Resilience-specific indicators

- Policies
- Vulnerability of population
- Vulnerability of assets
- Outreach or CB activities
- Vulnerability assessments

3. *What are the core issues in implementing results frameworks?*

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- **Methodological issues complicate efforts to track results and assess effectiveness;**

3. *What are the core issues in implementing results frameworks?*

- **Methodological issues complicate efforts to track results and assess effectiveness; un-coordinated and differentiated responses compound these**

Core issues

- **Setting baselines and choosing targets**
 - ◆ e.g. baseline choice has been shown to influence GHG footprinting tools by a factor of 3 for renewable energy and 10 for energy efficiency projects (Clapp et. al., 2009).
- **Assessing transformational change**
 - ◆ e.g. how to determine causality or account for exogenous factors?
- **Context-specificity of results**
 - ◆ e.g. how to balance tradeoffs between comparability/aggregation and context-specificity?

Core issues - cont

- Cost effectiveness and value for money
 - ◆ e.g. is cost effectiveness a reliable metric across objectives and contexts?; whose “values” apply?
- Tracking underlying financial flows
 - ◆ e.g. how to ensure the flow back of results for complex financing instruments, e.g. investment fund-of-funds?
- Learning and knowledge management
 - ◆ e.g., how to characterise and share experience within and across institutions?

Discussion questions

- What information is needed to assess the effectiveness of mitigation activities?
- How to balance tracking GHG benefits; broader economic, environmental and social co-benefits; and cost-effectiveness concerns?