

Monitoring and Evaluation of Support to Developing Countries

Opportunities, Challenges and Ways Forward

Joint Research conducted by

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N.B: The findings, interpretations, views, and conclusions expressed in this presentation are entirely those of the authors in their personal capacities.

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Outline

Monitoring and Evaluation of Support

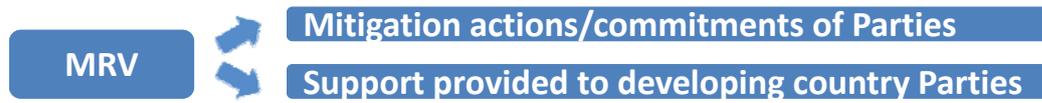
1. Background and Objectives
2. Capturing **Financial** Support
3. Capturing **Capacity Building** Support
4. Capturing **Technology** Support

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Research Background, Objective

Background:

- MRV as a key issue for the future climate regime discussion
- How to design and operationalize MRV & guidelines development
- Recalling Bali Action Plan 1(b)(ii):



- Progress made on mitigation per se, but not much on support side

Objective:

- Focuses on MRV of support provided to developing countries;



- To fill in the gap between the discussion and practice by reviewing and analyzing;
 - 1) Potential design options with different scopes of transparency
 - 2) Current status of what's been decided (COP decisions)
 - 3) Ways to assess the reported info: existing relevant tools/practices
 - 4) Exploring ways forward

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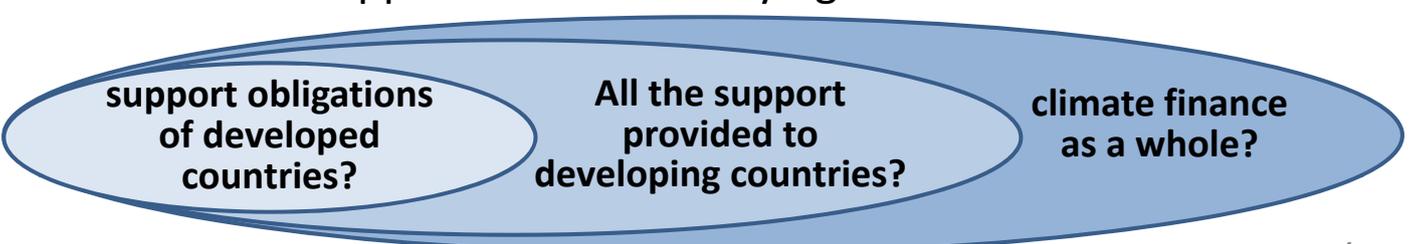
Capturing “finance” aspects of support (1)

Approach/Methodology:

- Setting design options with different scopes of transparency to be achieved
- Evaluation by a set of criteria to identify;
 - 1) strengths/weaknesses
 - 2) “who” reports
 - 3) existing relevant systems that could be harnessed
- Expert Interview/Questionnaires to collect views

Key question: Setting objectives & scope of transparency

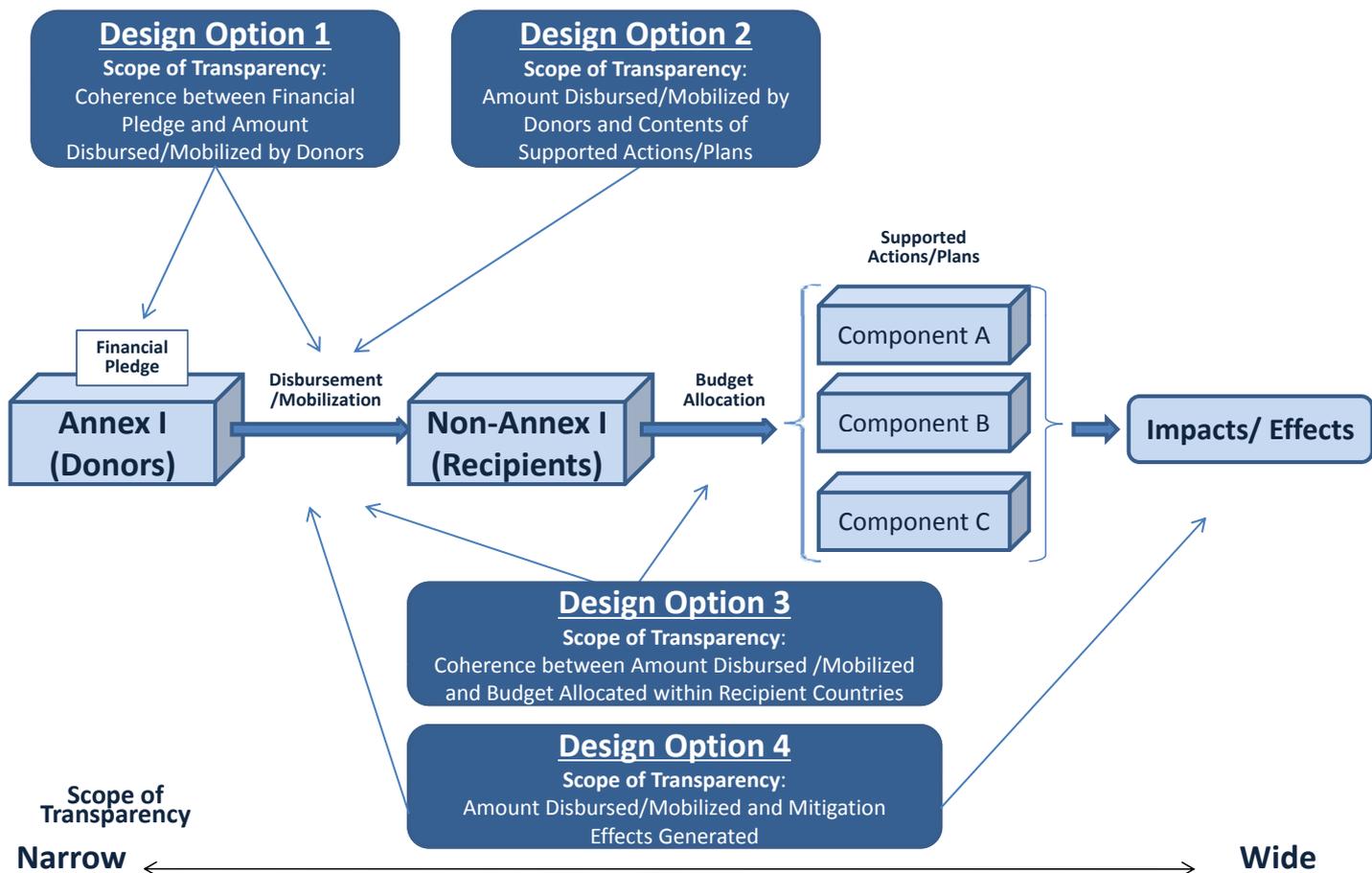
- To what extent should MRV cover/entail the financial flow?
Should MRV of support focus on clarifying...



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Capturing “finance” aspects of support (2)

Potential Design Options to Capture Financial Flows



Capturing “finance” aspects of support (3)

Evaluation Criteria for Design Options for MRV of Support

- The criteria selected by highlighting whether the design options can be operationalized in a practical sense.
- Excludes “political acceptability by negotiating parties”

Evaluation Criteria		Definition
Scope		Scope of matters to be disclosed for transparency, attached to stages of finance
Predictability		Predictability of financial support that may be assessed by giving transparency
Consistency		Consistency with timeframe of current and future reporting system
Quality of Information Obtained	Collectability	The extent of how easily data can be available, accessed and collected
	Accuracy	Level of accuracy of collected information on support
	Completeness	Completeness of areas and kind of support (eg funding sources)
	Comparability	Comparability to coordinate and adjust different kind of data, for comparison and aggregation (and avoiding double counting)

Capturing “finance” aspects of support (4)

3. Expert Questionnaire and Interview

Views on Definition of Climate Finance

- Divergent views collected. For objectives of MRV, views included;

all kinds of finance directed to climate change related area

finance to contribute to 2 degree target

Financial commitment under the Art.4

Views on Degree of Burden

- Better avoid complicated procedure and high transaction costs

Views on How to Design MRV: Gradual Evolution of the System

- Relying on the existing systems may provide benefit of smooth start-up and ensuring a certain level of accuracy,
- the issue of completeness (ie. wider funding sources) remains
- Coverage of MRV should be gradually enlarged, by improving information collection system

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Capturing “finance” aspects of support (5)

4. Ways Forward

Gradual Scale-up over the Scope of MRV

Narrow definition

To ensure transparency of support provided by Annex I to non-Annex I under Art. 4.3

→ Design Option 1



Wider definition

Providing whole picture of support provided to developing countries (Wider scope of transparency)

→ Design Options beyond 2

However, technical and institutional challenges remain to realize some design options

Phased Approach for Capturing Wider Scope of Transparency

- ✓ More complete/comprehensive information collection (Private sector, south-south cooperation etc)
- ✓ System development and strengthening (reporting system, formats, and methodologies) and capacity-building for developing countries
- ✓ Confidence building among parties

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Capturing “finance” aspects of support (6)

Recap on Relevant Decisions at Durban

1. Adoption of the Biennial Report Guidelines for Annex II Parties;

- Summary info in text/table on allocation channels/annual contributions for the previous two calendar/fiscal years

“Where” finance flows

- GEF/LDCF/SCCF/AF /GCF/other funds
- other multilateral climate change funds
- multilateral financial institutions (regional DBs)
- specialized UN bodies
- bilateral/regional/other channels

“How” finance flows

- Amount (original currency & USD-eq)
- type of support,
- sources,
- financial instrument(grant/loan),
- sector,
- new/additional resources

Other financial flows

- Private finance leveraged by bilateral finance,
- Policy & measures

2. Clearer Role of Standing Committee*

- Biennial Assessment of Financial Flows

* SC = Standing Committee. SC was established to assist COP exercising its functions over the financial mechanism under the Convention

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Capturing “capacity building” aspects of support (1)

1. Definition

process in which the ability to handle issues in developing countries is improved collectively at the individual, organizational, societal, and other levels

2. Features

Diverse Needs

- particular skills / techniques / knowledge,
- institutional building

Diverse Approaches & Forms of Support

- classroom learning,
- on-site technical training,
- secondment of experts to local institutions

Other features

- Cross-cutting in nature,
- Incorporated into project/programs

➡ How and to what extent should capacity building support be captured?

3. Relevant Decisions at Durban

- Adoption of the Biennial Report(BR) Guidelines (capacity building);
 - Description of measures/activities in textual & tabular format
 - How support responds to existing and emerging capacity building needs in the area of mitigation, adaptation, technology
 - Lack of further details

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Capturing “capacity building” aspects of support (2)

4. Assessing the reported info: Lessons from Development Assistance

- Monitoring and evaluation (M&E) applied to capacity building;
→ Use of Log Frame/PCM to link inputs(activities) and outputs (outputs/outcomes/goals)
→ Indicators for supported activity to assess the magnitude of outputs

➔ **M & E attempts to capture the magnitude of the impact generated by support provided, which is beyond simple input-output assessment (i.e. \$ spent, # participants involved)**

5. Suggestions for Ways Forward

- To improve the assessment of the “effectiveness” of CB support, elaborating areas might be helpful;

Absorptivity

how recipients
utilize/apply newly
acquired capacities

spill-over
effects

- Better understanding of capacity baseline for individual country; Effective use of National Capacity Self-Assessment (NCSA) of GEF
- On top of the BR, effective use of biennial assessment by SC

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Capturing “technology” aspects of support (1)

1. Key Design Questions

What aspects/channels of technology support should be clarified?

Which stage of technology cycle should be focused?



2. Relevant Decisions at Durban

- Adoption of the Biennial Report(BR) Guidelines (technology);
→ Description of measures taken to promote/facilitate/finance..

Transfer

Access

Deployment

Endogenous
Capacities

Success &
Failure Stories

→ text & table on measures implemented & planned since last NC/BR

→ recipient countries, target areas, sectors, sources (public/private)

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Capturing “technology” aspects of support (2)

3. Assessing the reported info: Lessons from Previous Exercise

- Relevant works of the Expert Group on Technology Transfer(EGTT)
→ Development of 40 Performance Indicators to cover core elements of framework on technology transfer;

Technology needs /
needs assessment

Technology
information

Enabling
Environment

Capacity
Building

Mechanism for
Technology Transfer

Financial
Flows

- Practical issues: data availability, institutional coordination for data collection, variability over frequency for data update...

4. Ways Forward

- Information covered by the BR as the starting point
- Incorporating works of EGTT where possible (utilizing some of the indicators) for assessment
- More focus on technology support provided through Climate Technology Centers and Network (CTCN)
→ i.e. host organizations measures (M)relevant support activities, reports to (R) and being evaluated (V) by governance institutions
- Utilizing MRV results to improve technology mechanism itself

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Thank you very much!

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For more details, see

IGES Policy Report 2011-5

Fukuda, K., Kato, M., and Mizutani, Y.

“Operationalizing MRV of Support -Analysis of Finance, Technology and Capacity Building Support -”

http://enviroscope.iges.or.jp/modules/envirolib/upload/3425/attach/operationalising_mrv_of_support.pdf

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Appendix 1: Potential Institutional Options for MRV of Support

Scope of Transparency	Tiers/ Types of NAMA to be supported	Info Required for MRV	Reporting Constituency(ies)	Existing System
【Design Option 1】 Grasping Coherence between Financial Pledge and Amount Disbursed/Mobilized by Donors (Comparison of Volume)	Tier1: Collective Progress towards Long-term Financing Pledge	<ul style="list-style-type: none"> Total Pledged Amount (\$100billion) Amount Disbursed / Mobilized (Aggregate) 	Annex I	Public Finance (Bilateral) NC, BR, OECD/CSR Public Finance (Multilateral) Annual reports, phase reports(tranche), Private Finance: UNCTAD Report, etc
	Tier2: Progress towards Individual Financing Pledge	<ul style="list-style-type: none"> Pledged Amount Amount Disbursed / Mobilized (Individual) 	Annex I	
【Design Option 2】 Grasping the Amount Disbursed/Mobilized by Donors and the Contents of Supported Actions/Plans (Disclosure of Contents of Support)	Supported Actions/Plans (projects, programs, sectoral supports, LEDS, etc)	<ul style="list-style-type: none"> Amount Disbursed / Mobilized Contents of Supported Actions and/or plans 	Reporting by each financial channel 1)GCF 2)Annex I 3)Multilateral IFIs 4)Private Sector	Public Finance (Bilateral) NC, BR, OECD/CRS, individual PD• sectoral support documents Public Finance (Multilateral) individual PD• sectoral support documents, annual reports Private Finance: UNCTAD Report, etc
【Design Option 3】 Grasping Coherence between the Amount Disbursed/Mobilized and the Budget Allocation within Recipient Countries (Comparison of Financial Volume)	Supported Actions/Plans (projects, programs, sectoral supports, LEDS, etc)	<ul style="list-style-type: none"> Amount Disbursed / Mobilized (Amount sent to the Treasury of Recipient s) Budget allocated domestically to the Target Actions / Plans by the Recipients 	1)GCF 2)Annex I 3)Multilateral IFIs 4)Private Sector 5)non-Annex I	【Information from Annex I】 Public Finance (Bilateral) Annex I NC, BR, OECD/CRS, individual PD • sectoral support documents Public Finance (Multilateral) individual PD• sectoral support documents, annual reports Private Finance: UNCTAD Report, etc 【Information from non-Annex I(recipient)】 Budget request• budget allocation
【Design Option 4】 Grasping the Amount Disbursed/Mobilized and the Mitigation Effects Generated (MRVing the Impact of Support)	Project-based Support	<ul style="list-style-type: none"> Amount Disbursed / Mobilized Calculated Mitigation Effects (quantitative) 	Annex I Non-Annex I	Public Finance (Bilateral) NC, BR, OECD/CRS, individual PD• sectoral support documents Public Finance (Multilateral) individual PD• sectoral support documents, annual reports Private Finance: UNCTAD Report, etc
	Program-based Support Sector-bases Support	<ul style="list-style-type: none"> Amount Disbursed / Mobilized Calculated Mitigation Effects (quantitative, qualitative) 	Annex I Non-Annex I	Public Finance (Bilateral) NC, BR, OECD/CRS, individual PD• sectoral support documents Public Finance (Multilateral) individual PD• sectoral support documents, annual reports Private Finance: UNCTAD Report, etc
	Supporting Low Carbon Development Plans and Strategies(LEDS)	<ul style="list-style-type: none"> Amount Disbursed / Mobilized Calculated Mitigation Effects (qualitative) 	Annex I Non-Annex I	Public Finance (Bilateral) NC, BR, OECD/CRS, individual PD• sectoral support documents Public Finance (Multilateral) individual PD• sectoral support documents, annual reports Private Finance: UNCTAD Report, etc

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Appendix 2: Major comments from Questionnaire and Interviews(1)

<Scope of Transparency>

- While it is desirable to set a wider scope of transparency, it is realistic to limit the system which can ensure accuracy of information subject to MRV.

<Predictability>

- It is important issue, but it is not clear if the predictability of finance can be assured by MRV system.

<Consistency>

- In practice, it is essential to coordinate timeframes of information collection and reporting. If wider scope of transparency are sought, additional coordination is necessary.

<Collectability >

- When developing countries are involved as information providers(reporters), the information collection should be simple and easy.

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Appendix 2: Major comments from Questionnaire and Interviews(2)

<Accuracy>

- It is realist that MRV system should rely on currently available systems to collect accurate information. For information not covered by the current systems, it is important to gradually improve the level of accuracy.

<Completeness >

- Financial sources to be covered highly depends on the definition of “climate finance”. In order to capture a global image of finances for mitigation (and adaptation) , it is important to include as many kinds of finances as possible. However, it may raise controversy on acceptability as well as technical challenges.

<Comparability>

- Shoud be prioritized. For those data that are not readily available for comparison/aggregation, methodologies should be established.

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Appendix 3. Performance Indicators for the Technology Transfer Framework (1)

Criteria	Indicators
Technology Needs / Needs Assessment	<ol style="list-style-type: none"> 1. Amount of financial resources provided for the (technology needs assessment) TNA process 2. # of programmes/projects for capacity-building on TNAs in non-Annex I Parties (including %of LDCs) 3. # of targeted non-Annex I Parties to build capacity on TNAs (including % of LDCs) 4. # of published TNAs completed or updated by non-Annex I Parties 5. Synthesis report on technology needs made available by the secretariat and considered by the SBs 6. # of technology programmes/projects from TNAs implemented by non-Annex I Parties
Technology Information	<ol style="list-style-type: none"> 1. #of training programmes and workshops for building capacity in technology information 2. # of national communications with information on technology transfer activities 3. Synthesis report with information on maintaining, updating and developing TT:CLEAR, addressing gaps and user needs made available by the secretariat and considered by the subsidiary bodies 4. # of technology information centres and networks connected to technology transfer: CLEAR 5. #of users of technology transfer: CLEAR from developing countries
Enabling Environments	<ol style="list-style-type: none"> 1. Performance against each of the six World Bank governance indicators 2. Total volume of joint R&D opportunities for ESTs provided by (primarily Annex I) governments 3. Presence of clear policy guidelines for the recipients of public funding on how to move from the research stage to the commercialization stage of the technology transfer process 4. # of bilateral and multilateral programmes that have helped developing countries in developing and implementing regulations that promote the use and transfer of and access to ESTs 5. Presence of tax preferences and incentives for imports/exports of ESTs 6. Volume of export credits to encourage the transfer of ESTs 7. Whether mention of transfer of ESTs is made in national sustainable development strategies 8. Rating of investment climate according to World Bank business indicators 9. Proportion of budget for public procurement of EST 10. Degree of disclosure / transparency regarding the approval processes of technology transfer projects 11. # of technical studies that explore barriers, good practices and recommendations for enhancing enabling environments 12. % of partnerships with thematic foci on climate change and sustainable development with meaningful participation by developing country Parties

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Appendix 3. Performance Indicators for the Technology Transfer Framework (2)

Criteria	Indicators
Capacity Building	<ol style="list-style-type: none"> 1. Amount of financial resources provided for capacity-building in the development and transfer of technology 2. Synthesis report on national capacity needs and priorities for capacity-building for development and transfer of technology in line with the technology transfer framework 3. Number of participants/experts in training programmes on the development and transfer of technology, in particular on EST-related activities 4. Number of new and existing national and regional institutions operating as centres of excellence in the development and transfer of technology
Mechanisms for Technology Transfer	<ol style="list-style-type: none"> 1. Number and volume of reported innovative public–private financing mechanisms and instruments 2. Report on possible ways to enhance cooperation between the Convention and other multilateral environmental agreements 3. Report on references made in national communications to objectives of other multilateral environmental agreements 4. Number of reported barriers to, and good experiences in, the development of endogenous technologies 5. Report with guidance for reporting on joint R&D needs
Indicators for Financial Flow	<ol style="list-style-type: none"> 1. Total annual global investment and financial flows in climate change mitigation technologies 2. Total annual global investment and financial flows in climate change adaptation technologies 3. Total annual investment and financial flows in climate change technologies – Convention financial mechanism 4. Total annual investment and financial flows in climate change technologies – Kyoto Protocol flexibility mechanisms 5. Total annual investment and financial flows in climate change technologies – bilateral sources 6. Total annual investment and financial flows in climate change technologies – national sources 7. Total annual investment and financial flows in climate change technologies – multilateral sources 8. Total annual investment and financial flows in climate change technologies – private sources