Department for International Development

UKaid from the British people

CALLDOWN CONTRACT

Framework Agreement with: Integrity Research and Consultancy

Framework Agreement for: Global Evaluation Framework Agreement

Framework Agreement Purchase Order Number: PO 7448

Call-down Contract For: Monitoring and Evaluation of the Climate Public Private Partnership (CP3) Programme – Phase II

Contract Purchase Order Number: PROJ10001 / PO 10006

I refer to the following:

1. The above mentioned Framework Agreement dated 12 September 2016;

2. Your proposal of 20 August 2019

and I confirm that DFID requires you to provide the Services (Annex A), under the Terms and Conditions of the Framework Agreement which shall apply to this Call-down Contract as if expressly incorporated herein.

1. Commencement and Duration of the Services

1.1 The Supplier shall start the Services no later than 06 January 2020 ("the Start Date") and the Services shall be completed by 31 December 2026 ("the End Date") unless the Call-down Contract is terminated earlier in accordance with the Terms and Conditions of the Framework Agreement.

2. Recipient

2.1 DFID requires the Supplier to provide the Services to the Department for International Development and the Department for Business, Energy and Industrial Strategy ("the Recipient").

3. Financial Limit

3.1 Payments under this Call-down Contract shall not, exceed £1,783,383.00 ("the Financial Limit") and is exclusive of any government tax, if applicable as detailed in Annex B.

When Payments shall be made on a 'Milestone Payment Basis' the following Clause 28.1 shall be substituted for Clause 28.1 of the Framework Agreement.

4. Milestone Payments

4.1 Where the applicable payment mechanism is "Milestone Payment", invoice(s) shall be submitted for the amount(s) indicated in Annex B and payments will be made when the relevant milestone is achieved in its final form by the Supplier. Payments pursuant to clause 4.1 are subject to the satisfaction of DFID's Project Officer in relation to the performance by the Supplier of its obligations under the Call-down Contract and to verification by the Project

Officer that all prior payments made to the Supplier under this Call-down Contract were properly due.

For each milestone, the structure of each Deliverable will be defined and agreed with DFID 4 weeks prior to submission. Following receipt of draft Deliverables, DFID will return consolidated feedback within 10 working days, identifying where relevant criteria have not been met. Following receipt of final draft deliverables, DFID will return a second set of consolidated feedback within 5 working days. Following submission of the finalised Deliverable, DFID will confirm it has been achieved in its final form within 5 working days (subject to feedback provided having been addressed and any other ad hoc engagement that may be required).

5. Officials

DFID

5.1 The Contract Officer is:

Redacted, Procurement Specialist, DFID Procurement and Commercial Department.

5.2 The Project Officer is:

Redacted, Policy Manager, DFID Climate and Environment Department.

Supplier

5.3 The Contract Officer is:

Redacted

5.4 The Project Officer is:

Redacted

6. Key Personnel

The following of the Supplier's Personnel cannot be substituted by the Supplier without DFID's prior written consent:

Name	Role
Redacted	Team Leader/Senior Climate Finance Economist
Redacted	Private Finance Lead/Information Manager
Redacted	Evaluation Lead
Redacted	Programme Director
Redacted	Climate Finance Analyst
Redacted	Climate Finance Evaluation Expert
Redacted	Programme Manager
Redacted	SA/QA Climate Finance Specialist
Redacted	SA/QA Evaluation Specialist
Redacted	SA/QA Monitoring Specialist

7. Reports

7.1 The Supplier shall submit project reports in accordance with the Terms of Reference/Scope of Work at Annex A.

8. Duty of Care

All Supplier Personnel (as defined in Section 2 of the Agreement) engaged under this Call-down Contract will come under the duty of care of the Supplier:

I. The Supplier will be responsible for all security arrangements and Her Majesty's Government accepts no responsibility for the health, safety and security of individuals or property whilst travelling.

II. The Supplier will be responsible for taking out insurance in respect of death or personal injury, damage to or loss of property, and will indemnify and keep indemnified DFID in respect of:

II.1. Any loss, damage or claim, howsoever arising out of, or relating to negligence by the Supplier, the Supplier's Personnel, or by any person employed or otherwise engaged by the Supplier, in connection with the performance of the Call-down Contract;

II.2. Any claim, howsoever arising, by the Supplier's Personnel or any person employed or otherwise engaged by the Supplier, in connection with their performance under this Call-down Contract.

III. The Supplier will ensure that such insurance arrangements as are made in respect of the Supplier's Personnel, or any person employed or otherwise engaged by the Supplier are reasonable and prudent in all circumstances, including in respect of death, injury or disablement, and emergency medical expenses.

IV. The costs of any insurance specifically taken out by the Supplier to support the performance of this Call-down Contract in relation to Duty of Care may be included as part of the management costs of the project, and must be separately identified in all financial reporting relating to the project.

V. Where DFID is providing any specific security arrangements for Suppliers in relation to the Call-down Contract, these will be detailed in the Terms of Reference.

9. Modern Slavery

9.1 The HMG Modern Slavery Statement sets out how UK Government departments must take action to ensure modern slavery risks are identified and managed in government supply chains.
The DFID Supply Partner Code of Conduct sets out the expectation for all supply partners to have full awareness of the International Labour Organisation (ILO) principles. The Successful Supplier will be subject to compliance checks which will involve reviewing good practice examples that reflect these principles. Our Code sets out requirements for UN Global Compact sign up and further encourages Ethical Trading Initiative (ETI) membership for our Supply Partners and their delivery chain partners (at compliance level 1).
The Successful Supplier will also be encouraged to participate in the HMG modern slavery self-assessment process which in turn will support assurance of their compliance standard.

Procurement Policy Note 05/19

10. Call-down Contract Signature

10.1 If the original Form of Call-down Contract is not returned to the Contract Officer (as identified at clause 4 above) duly completed, signed and dated on behalf of the Supplier within 15 working days of the date of signature on behalf of DFID, DFID will be entitled, at its sole discretion, to declare this Call-down Contract void.

For and on behalf of	Name:
The Secretary of State for International Development	Position:
	Signature:
	Date:

For and on behalf of	Name:
Integrity Research and Consultancy	Position:
	Signature:
	Date:

Department for International Development

Annex A

Terms of Reference

Monitoring and Evaluation of the Climate Public Private Partnership (CP3) Programme – Phase II

1. Introduction and Background

1.1 Introduction

DFID is seeking a Monitoring and Evaluation (M&E) partner for the Climate Public Private Partnership (CP3) programme from January 2020 to December 2026. The CP3 programme is funded through HMG's International Climate Finance (ICF). ICF is managed by the Department for Business, Energy and Industrial Strategy (BEIS), Department for International Development (DFID) and Department for Environment, Food and Rural Affairs (DEFRA) to help developing countries address the challenges presented by climate change with official development assistance (ODA). CP3 is a £130million ICF programme jointly funded by DFID and BEIS.

Rigorous M&E of the CP3 programme is crucial for accountability and learning, to inform ongoing delivery and capture lessons learned for future ICF investment. M&E activities will provide evidence of CP3's impact and/or potential to achieve impact, identifying what is being delivered, what is and is not working about the programme, why, how and in what contexts. Resulting evidence will be used to re-focus and adapt the programme where possible. Learning will feed into the ICF knowledge management strategy.

The maximum budget for this project is £1.8million, inclusive of any applicable taxes. Bidders should not exceed this in their proposals. Tenders submitted in response to this ITT should state the total cost excluded VAT.

1.2 Background to ODA expenditure on International Climate Finance

Developed countries have committed in the United Nations Framework Convention on Climate Change (UNFCCC) to mobilise $100 billion per year of public and private climate finance by 2020. International Climate Finance (ICF) was established in response to this. Through ICF the UK government is providing £5.8 billion of Official Development Assistance (ODA) over the period 2016/2017 to 2020/2021, to help developing countries adapt to climate change and move towards more sustainable, low carbon, growth. The ICF supports programmes in the areas of adaptation to climate change, low carbon development and forestry and seeks to:

- Change facts on the ground by delivering results that demonstrate that low carbon development is feasible and desirable;
- Improve the international climate architecture and finance system to increase the scale, efficiency and value for money of climate spend; and

- Pioneer innovation to test out new approaches to delivering climate finance that have the potential to achieve bigger and better results in the future.

1.3 The CP3 Project

CP3 started in 2010 and is a 16 year programme – 7 years remain of the programme. The M&E contract will cover the remainder of the operation of the programme, until its planned closure in 2026. CP3 aims to increase low carbon investment in renewable energy, water, energy efficiency and forestry in developing countries. It aims to demonstrate to private investors that investing in Low Carbon and Climate Resilient (LCCR) companies in developing countries is not only ethically right but can deliver commercially viable returns as well. Through this "demonstration effect" CP3 also seeks to catalyse new sources of finance, such as pension and sovereign wealth funds, to flow into climate mitigation and adaptation. CP3-supported funds are expected to increase clean energy generating capacity, reduce greenhouse gas (GHG) emissions, increase resource efficiency and support jobs.

CP3 is a £130m joint DFID and BEIS (ex-DECC) programme, funded by the UK's International Climate Finance Fund (ICF), which continues to 2026, due to the long-term nature of private equity funds, which typically take 10-15 years for investments to be realised and for investors to receive financial returns. CP3 forms part of the UK's contribution to the pledge made by developed countries to mobilise $100bn of climate finance a year by 2020. The rationale for public funding is to demonstrate that private equity climate related investments (and climate projects in general), have acceptable levels of risk and can deliver fully commercial returns. Investment by the UK as an anchor investor in the first commercial climate funds (enabling the Funds to reach their first close), is expected to encourage institutional investors, such as sovereign wealth funds or pension fund investors to invest.

1.4 CP3 Structure

Private Equity (PE) funds
To achieve the above aims, CP3 has invested in two private equity funds - the Catalyst Fund (CF) and Asia Climate Partners (ACP). These funds seek to deliver fully commercial returns to investors CP3 consists of two PE funds (CF and ACP) and a technical assistance facility. The two PE funds make investments at commercial terms, which is central to the CP3 theory of change (ToC) to demonstrate to the market that climate investments can provide a commercial return.

CF
The UK has invested £50m (US$80m at the time) as an anchor investor in the IFC CF - a "fund-of-funds" (FoF) with a focus on investing in other cleantech PE funds globally and managed by IFC Asset Management Company (IFC). CF raised capital from eight other investors, for a total fund size of US$418m. CF is a FoF that invests in other PE funds managed by third party fund managers.

ACP
The UK has invested £60m (US$ 100m) in ACP, a fund managed through a partnership between Asian Development Bank (ADB), Orix and Robeco – private fund managers. ACP carries out direct

investments in cleantech companies and projects in Asia. In contrast to, ACP invests directly into companies and projects which gives it more direct control over the actual investments made but a smaller pool of co-investment capital.

Technical assistance (TA)
CP3 also has a TA facility, which provides grant and reimbursable grant support for early stage development to a revolving funding facility[1] for first-time funds, renewable projects and climate funds. The UK Government has made available £19m to this facility. Most of this support (£9m) was provided to the Seed Capital Assistance Facility Phase II (SCAF)2. SCAF's objective is to increase the availability of investment for early-stage development of low-carbon projects in developing countries by providing financial support on a cost-sharing and co-financing basis to low-carbon projects via PE funds, venture capital (VC) funds and project development companies (DevCos). This helps seed the market and increases the availability of low-carbon investments in developing countries. Some of the initiatives incubated by SCAFII have gone on to raise capital from the CF and other investors and are now actively undertaking investments as fund managers. It is delivered through the United Nations Environment Programme (UNEP) supported by the United Nations Office for Operations (UNOPS) and two entities of the Frankfurt School group, the Frankfurt School of Finance and Management GmbH -UN Environment Collaborating Centre for Climate and Sustainable Energy Finance and the Frankfurt School Financial Services.

1.5 CP3 Theory of Change (ToC)
The intended impact of CP3 (as outlined in the ToC at appendix A) is that developing countries pursue a climate resilient low carbon development path resulting in growth, poverty reduction and climate change mitigation. The outcome will be an increase in private sector investing in climate in developing countries in a responsible manner. Indicative indicators for this are:

- An increase in the overall size of annual private PE or infrastructure direct finance flows into low carbon development and adaptation (via CP3 or other projects);
- The percentage of private sector investors (pension funds, sovereign wealth funds and foundations i.e. survey respondents) placing funds with PE climate finance or making direct climate infrastructure investments;
- The number of Environmental Social & Governance (ESG) standards mainstreamed into climate finance (equivalent to or better than International Finance Corporation/ Asia Development Bank / Commonwealth Development Corporation).
- Funds performing well in industry and sector e.g. emerging market indices.

[1] Define the term "revolving funding facility"
[2] SCAF I began in 2009 and ran for five years, supporting eight partners with financing from UN Environment and ADB, among others. Under CP3, DFID invested in SCAF Phase II which is set to run for eight years, starting in 2014. Phase II operates in a similar manner to Phase I with two significant differences: Phase II has expanded their prospective partner base to include DevCos in order to more effectively support pipeline development; and now offer a repayable loan under their second support line with shared development risks, rather than a straight grant.

CP3 link to ICF Key Performance Indicators (KPIs)An objective of the ICF is to bring about transformational change, which is measured through the ICF's KPI 15 – The extent to which the ICF intervention is likely to have a transformational impact (see Appendix B for the full methodological note). HMG would expect an analysis of KPI 15 to be undertaken as part of the impact evaluation and would recommend the consideration of the new ICAT approach to enhance the KPI 15 methodology[3].

The connection between CP3 equity investments, demonstration effects and long-term changes in attitudes and investment patterns is at the core of the transformational potential of CP3. In addition, the long-term creation of institutional knowledge and capacity that enables greater investment is also considered transformative in the case of CP3 Technical Assistance Programmes.

2. CP3 M&E Phase I

During the first phase of the programme, monitoring and evaluation has revolved around a range of key tasks, including:

- The creation of appropriate indicators, baselines and milestone for the existing CP3 logframe
- Population of the programme logframe, provision of half-yearly reports and annual reports
- A mid-term evaluation in 2017/18, including an assessment of the early financial leverage and demonstration impacts, synthesising emerging results and evidence undertaken by other donor parties, testing the theory of change and underlying assumptions.

Details of the published materials in respect of phase I of the M&E contract can be found on the Climate Policy Initiative website[4] and includes a paper on Approaches to assess the additionality of climate investments[5]. The logframe, Annual Reviews and MTE can be found on the project page for CP3 on the devtracker website.

The phase 1 M&E approach has focused on measuring a range of outputs related to the function of the PE funds and TA facility to determine whether the programme's theory of change is likely to be effective. The indicators outlined in the CP3 logframe are designed to measure progress at different points along the causal chain outlined in the ToC and to test the validity of the assumptions upon which the ToC is based. The indicators document the progress of CP3 implementation as well as the medium to long-term results achieved.

[3] http://www.climateactiontransparency.org/wp-content/uploads/2017/07/ICAT-Transformational-Change-Guidance-First-Draft-26-JUL-2017.pdf
[4] https://climatepolicyinitiative.org/
[5] https://climatepolicyinitiative.org/publication/approaches-to-assess-the-additionality-of-climate-investments-findings-from-the-evaluation-of-the-climate-public-private-partnership-programme-cp3/

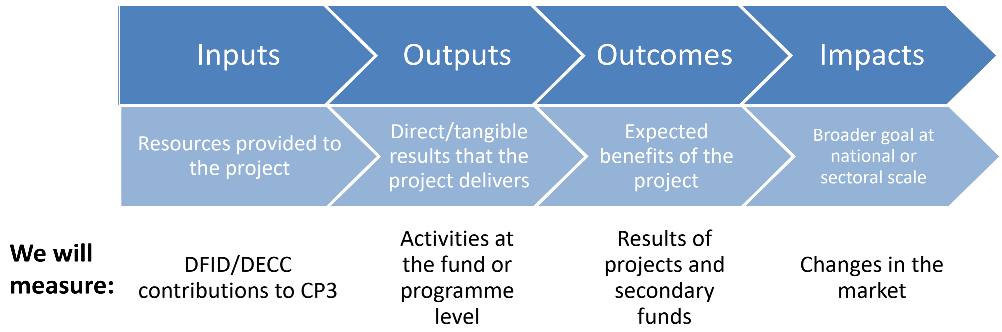

Figure 1 Inputs, outputs, outcomes and impacts.

The theory-based evaluation approach applied throughout the first phase of the M&E assignment (2014-2018) remains appropriate for continued M&E of the CP3 programme and has been particularly successful in generating a useful method for determining additionality, and in applying this to the programme's investment. However, the programme did experience challenges in accurately assessing the amount of private finance mobilised in a way that utilised project level data and avoided double counting; subsequently it took an iterative approach to this in order to come up with a robust method.

The overall assignment and particularly the midterm evaluation relied on a mixed-methods approach to generate evidence and a range of synthesis methods (including both descriptive and explanatory) to generate findings. This evaluation design has been appropriate as it integrates two or more evaluation methods which is useful for a complex programme such as CP3. The next phase of the evaluation should continue apply a theory-based approach to generate evidence to answer the evaluation questions.

3. CP3 M&E Phase II

3.1 Purpose of CP3 monitoring and evaluation

The purpose of the monitoring and evaluation contract is to provide a rigorous and independent assessment of the relevance, effectiveness, efficiency, impact and sustainability of the programme in catalysing the role of private sector finance in driving low carbon, climate resilient growth in developing countries (financial leverage effect). This includes assessing and measuring whether the programme is meeting its milestones and the extent to which the theory of change is being enacted.

This will be achieved by:

- Identifying what is being delivered, what is and is not working about the programme, why, how and in what contexts

- Providing evidence of CP3's impact and/or potential to deliver transformational effects, i.e. that the good financial risk and return of PE climate investments have had demonstration effects[6]
- Test the programme theory of change and underlying assumptions
- Capturing, through on-going monitoring, the short and mid-term results delivered by the programme as set out in the logframe, including direct mobilisation/leverage
- Delivering evidence and results in a format and with a regularity that facilitates adaptive, flexible programme management and delivery, and allows learning to take place
- Identifying the programme's economy, efficiency, effectiveness and equity to provide an assessment of value for money

The outcomes will be that:

- DFID / BEIS management of the programme is informed by independent assessment and can act early to improve programme delivery
- ICF results reporting for the CP3 programme is informed by external verification of progress towards goals and improves in quality – a key requirement of the transparency objectives of the ICF and UKAID more broadly
- HMG can determine what change has occurred, to what extent ICF funds contributed to the change and why
- The ICF evidence base on private finance programming is enriched

The M&E partner will need to consider a number of challenging issues, including whether the programme is having a demonstration effect (see transformational change section), the extent to which investments are additional and how best HMG can operationalise the learning the programme generates. At the end of the programme, HMG wants to have clear, actionable recommendations and learning that it can share with the wider climate finance community. Evaluation and monitoring will be crucial to this.

The formal recipient for the monitoring and evaluation will be DFID and BEIS, with a broader target audience of other actors active in the climate finance environment, including but not limited to, Development Finance Institutions (DFI), commercial investors and other governments.

3.2 The Requirement

The requirement is for both monitoring and evaluation of the CP3 programme, building on the success of previous monitoring and evaluation work. Bidders should spell out as fully as possible the

[6] Given the scale of the leverage effect, the actual projects and companies obviously benefit from a range of sources of finance and development support, and their benefits are not solely attributable to the UK intervention.

monitoring and evaluation design and methodology they propose to use, the allied potential risks and challenges and how these will be managed. This should include how they will incorporate and build on existing work by the previous M&E provider in phase I of the programme M&E.

Phase II will also need to consider how lessons from aspects of the programme that have discontinued are captured, as well as helping to design and implement logframe and evaluation criteria for further investments made by the programme.

3.2.1 Outputs

The M&E partner will be required to deliver the following outputs:

Overarching	Monitoring	Evaluation
A M&E approach paper to include: ○ A strengthened theory of change ○ Proposals for change to the logframe, if relevant ○ Suggestions on refinement/amendments of the evaluation questions ○ A full methodology for M&E activities ○ Identified sources of data ○ A detailed workplan for stakeholder participation ○ A risk management strategy ○ A communication plan for the evaluation and other outputs **Case studies**: One case study per year will be produced (7 in total). Case study topics will be agreed in consultation with DFID / BEIS.	**An annual report** to include: • An assessment of the theory of change (based on in-year learning) and suitability of the logframe • An assessment of logframe indicators, milestones and data sources (this should include an assessment of secondary data sources and opportunities for strengthening the evidence) • Result collection for all logframe indicators • Additional quality assurance and application of relevant ICF KPI methodologies, including an assessment of transformational change (KPI 15) • Reporting of Organisation for Economic Co-operation and Development (OECD) mobilisation figures • Monitoring of ESG performance and compliance checks • Recommendations for improvements to monitoring • A slide pack summary **A shorter mid-year report**: reporting on in-year progress towards logframe milestones **Annual live-scoring meeting**: (7 in total) **Annual methodology guidance note**: to clarify the model and document updates (7 in total). **Presentations**: to include an annual technical presentation in October to induct new HMG analysts (6 in total).	**A second mid-term evaluation report**: (see section **3.2.2**) to include an updated approach paper for the impact evaluation as a stand-alone annex and technical annex **An end of programme impact evaluation**: (see section **3.2.2**) and technical annex **Presentations and corresponding slide packs**: to follow delivery of draft and final evaluation reports (4 in total). The purpose of final draft presentations should be to engage non-analysts in evidence-based learning and recommendations.

Below is a consolidated list of proposed activities and their justification followed by an outline of the indicative deliverables.

Monitoring activities

Regular monitoring: The regular monitoring activities conducted by the M&E agent should continue as this supports regular ICF and HMG results reporting. It is also useful for ensuring the M&E agents have regular contact with the investment funds and are up-to-date on the performance of the portfolio and investment activities.

Revision to logframe: Since 2014, multiple changes to the logframe have been made to ensure that the logframe accurately captures programme performance. Based on the evidence collected in the MTE, additional changes could be made to ensure the logframe continues to capture the most relevant metrics and maintains simplicity.

Support to aligning KPI reporting through collecting more project-level data: This will improve the quality of reporting of impact indicators. While CF and ACP follow the same reporting methodology, they use different assumptions and inputs which makes comparing results and understanding performance of the funds more challenging. For example, ACP disaggregates jobs by gender, full-time employment and permanent positions and their GHG emissions reductions by new and existing efficiencies, but CF does not. Alignment on the way these figures are collected and presented could greatly aid future comparisons and evaluation activities.

Evaluation and learning activities

Two substantive evaluation activities: There remains a need for more substantive mid-term evaluations in 2022/2026 to synthesise evidence to understand the programme's performance and progress.

Review of the ToC: Evidence was collected as part of the MTE that confirmed the theory of change (ToC) remains valid. However, it would beneficial to review the ToC in the next phase of the programme M&E to see if there are opportunities for simplification and also to better articulate the longer-term causal pathways that would be explored in the programme M&E from 2020-2026.

Case studies (investment and thematic): Periodic case studies provide very useful insights into the performance of either individual investments or aspects of the portfolio that are not captured by financial and KPI reporting. They should be continued to generate useful insights to CP3's contribution to outcomes observed and enable verification of results reported.

Generation of publicly available information to support learning: The MTE identified that information asymmetries still exist and impact perception of risks of investment in these markets. The M&E agent could support in the generation of publicly-available information. Some potential outputs that would seek to address this asymmetry are included in the table below.

3.2.2 Further guidance on requirements

In considering how to achieve the outcomes outlined above, bidders should note the following guidance.

Monitoring

Management of logframe monitoring, development and reporting over the remaining lifetime of the CP3 programme. This includes preparation of data for the biannual results collection exercise, preparation of primary and secondary data for CP3 Annual Reviews to populate the logframe, evidence management and presenting recommendations for targeted improvements. Many of the methods and targets have proven to be iterative and required frequent revision. Bidders should include how they intend to manage this in their proposal.

On-going monitoring will capture short and mid-term results such as, jobs created (KPI 5), GHG emissions (KPI 6), level of installed capacity of clean energy (KPI 7), public finance mobilised (KPI 11) and private finance mobilised (KPI 12). CP3 results will be included in ICF and OECD results reporting and accountability agenda. Monitoring will involve verifying data sent by fund managers relating to claimed results. See Appendix B for ICF KPI methodological notes. You can download methodologies for all of these indicators by registering at http://climatechangecompass.org/ (Monitoring Workstream, KPI Methodology Guidance notes updated 2018).

The bidder will also be required to undertake monitoring and data collection on financial and developmental impacts throughout the programme cycle based on the data collected by the fund manager, as well as the Technical Assistance projects overseen by SCAF II – collating and aggregating relevant data for six monthly results returns; audit function; periodical spot checks on underlying sub funds, and/or their investee projects or firms – verifying compliance with ESG standards, and confirming accuracy of results provided. .

Data collection is built into the agreements signed with the Fund Managers of the IFC Catalyst Fund and UNEP as the administrators of SCAF. The monitoring of the CP3 programme will rely on regular financial and non-financial reporting and publicly available information. The key monitoring provisions are summarised below:

- **Financial reporting**: The CP3 Fund Manager (IFC) will provide at least half-annual unaudited, and annual audited reports including financial statements, a fund overview, and an overview of the portfolio with information on each portfolio company's or fund's performance and valuation. They will also provide information through their internal monitoring systems;

- **ESG Standards**: The investment strategies of both Funds and their Investee Funds will be subject to stringent Environmental Social & Governance (ESG) requirements. The M&E partner will have access to all Environmental Impact Assessments and any governance and corruption audits;

- **Developmental indicators**: Information on improved access to clean energy and jobs created shall be obtained and/or extrapolated from public sources where possible, including (but not limited to) the IEA World Energy Outlook, MDB reporting, UNFCCC financial flows periodic reporting, Bloomberg New Energy Finance;

- **ICF Key Performance Indicators** will be tracked in addition to the programme specific indicators, as outlined in the log frame and linked to the theory of change.

It is expected that 2 or 3 country visits will be undertaken each year, but the volume and duration of travel would be agreed on an annual basis to reflect the scale of the programme.

Investment-specific and thematic case studies
Case studies should continue to complement logframe monitoring, provide evidence of assurance activities, help inform on the theory of change and underlying assumptions and verify impacts.

Some potential focus areas could include:

- Development benefits and social benefits, contributions to SDGs.
- Contributions to adaptation and climate resiliency
- Exploration of potential decarbonisation and environmental impact pathways beyond GHG emission reductions.
- Revisiting old case studies to assess long-term impact and effectiveness of investments (e.g. Anuvia investment to review if technology transfer has happened)
- Impact of ESG requirements on investment decisions and on implementation quality
- Appropriateness of PE in LDCs and LCCR markets
- Exploring the impact of different investment structures and equity shares on investment performance
- Testing the market transformation rubric considering factors such as first mover investments or capacity building efforts.

Evaluation questions
Evaluation questions to date are contained in Appendix E. These questions and indicators are illustrative and not prescriptive or absolute. For each, we would expect further questions to be explored, for example, a comparison to pre-CP3 and business as usual (BAU) scenarios (additionality); an assessment of how many of the results are attributable to CP3 (there is substantive existing work on this and additionality by the incumbent M&E provider); additional factors that may have influenced these results; and what the relationship is between CP3 and other identified factors.

Second mid-term evaluation
The Second mid-term evaluation should include an assessment of relevance, efficiency and effectiveness, and an assessment of early financial leverage and demonstration impacts – to be further evaluated in the end of programme impact evaluation.

Among other things, to include:

- Document review

- Synthesis of case studies
- Investment mandate review – to understand how transformational change is communicated in the investment and informs project selection. What do fund managers understand by transformational change?
- Synthesise emerging results and evidence undertaken by other donor partners or funds
- Test the theory of change and underlying assumption
- Additionality, attribution and contribution analysis
- Lessons for design and delivery

<u>End of programme impact evaluation</u>
The endo of programme impact evaluation is an assessment of early impact, accountability of results and sustainability

Among other things, it may include:

- To consider the overall impacts, mechanisms and assumptions set out in the CP3 theory of change
- An assessment of the likelihood of lasting and transformation change as a result of ICF support
- An analysis of the value for money of the intervention
- Lessons learned for design, delivery and wider learning for future funding through ICF for private finance programming

3.2.3. Suggested deliverables/ outputs for second phase of the CP3 evaluation (2020-2022)

Based on the above recommendations, bidders should consider the following deliverables when formulating their bid.

Table 1 Overview of deliverables 2020-2022

Deliverables	Description
Update of the milestones model & simplified logframe	Update milestones model based on findings in MTE and financial leverage case study to ensure milestones reflect updated data on additionality, attribution and financial leverage. Simplify logframe. DFID/BEIS together with the M&E agents should make a decision on attribution and additionality methodologies.
Review and potential	Review the ToC with relevant stakeholders and if necessary, revise to

revision of the ToC	articulate impact pathways based on evidence collected to-date.
Create standardized data collection questionnaire	Data reported by ACP and CF is not comparable. Creating standardized data collection could improve understanding on the effectiveness of different investment mechanisms.
Biannual reports (Feb/March) (4)	Update quarterly financial data and report against ICF Key Performance Indicators (KPIs). Simplify biannual reporting by limiting content to KPIs, and fund progress updates. For first year of contract these will not be due because of proximity to contract start date.
Annual review (Jul/Aug) (4)	The annual report should continue to present a more comprehensive stock-take, with reporting against all log frame indicators, ICF KPIs, as well as analysis of evidence to support the theory of change, stakeholder feedback on the programme and key recommendations. It should continue to include a descriptive analysis of the portfolio.
Case studies (3-5)	Heavy emphasis on case studies, both investment-specific and thematic case studies. The sampling strategy to guide the selection of case studies should be revised considering recent trends and investments. However, some potential focus areas could include: - Development benefits and social benefits, contributions to SDGs. - Contributions to adaptation and climate resiliency - Exploration of potential decarbonisation and environmental impact pathways beyond GHG emission reductions. - Revisiting old case studies to assess long-term impact and effectiveness of investments (e.g. Anuvia investment to review if technology transfer has happened) - Impact of ESG requirements on investment decisions and on implementation quality - Appropriateness of PE in LDCs and LCCR markets - Exploring the impact of different investment structures and equity shares on investment performance - Testing the market transformation rubric considering factors such as first mover investments or capacity building efforts. Case studies should continue to complement logframe monitoring, provide evidence of assurance activities, help inform on the theory of change and underlying assumptions and verify impacts.
2nd midterm evaluation in 2022	Similar to the first midterm evaluation, this report should summarize the data collected during the M&E contract and should conduct additional data collection where needed to respond to the evaluation questions. This

	evaluation should focus on understanding performance and progress towards impact of the CP3 investment and seek to generate learning to inform the design of future climate investments, in particular for transformational change.
Dissemination of findings	To support generation of learning and more widespread sharing of knowledge of investment in these markets through producing publicly available information on CP3. Specific deliverables could include: - Webinars - Events - Slide decks - Briefing notes

3.3 Project risks and challenges

Bidders should detail the key risks and challenges identified in their proposals. For project risks, bidders should provide a provisional risk register that sets out:

- A description of each risk
- The potential impact the risk has on the project and the likelihood of its occurrence
- The severity of the risk
- Actions to mitigate the risk
- Who has ownership of those actions

For the identified challenges, bidders should detail how their approach will overcome each one. As a minimum, bidders should consider the following challenges:

- A time-lag in observing outcomes and impacts at all levels of CP3
- Difficulties in attributing to observed outcomes and impacts
- Using qualitative evidence to assess impact
- Multiple and simultaneous M&E activities and deliverables
- Managing results, data, information and knowledge

Proposals should list the key risks to the delivery of the evaluation and suggest mitigation actions. Give the period of time over which this evaluation contract will run, this should include details on ongoing project management and how continuity will be maintained.

Risks that the current programme team are aware of or have encountered include:

- The difficulty in maintaining a robust method for calculating private and public finance mobilised;
- The paucity of methods available to assess key climate finance concepts like additionality and the demonstration effect;
- The difficulty in disaggregating correlation and causation when observing changes in the markets that CP3 is active in.

3.4 Learning from M&E evidence and knowledge management

Results must be delivered by the M&E partner in a way that allows DFID / BEIS colleagues from non-evaluation backgrounds to engage with, interpret, understand and use the evidence reported. The M&E partner is expected to provide recommendations based on the evidence in their reporting and to work with DFID / BEIS to determine the implications of these recommendations, although bidders should note that in some instances DFID / BEIS may not agree or take actions on recommendations. Bidders should detail how they will support DFID / BEIS in understanding and interpreting the evidence.

The M&E partner will need to respond to ad-hoc requests for information that cut across the monitoring and evaluation activities as outlined in this TOR. Bidders should assume an ad-hoc request every quarter.

Quick responses to these requests, synthesising evidence from multiple M&E activities and helping DFID / BEIS learn lessons will require a robust knowledge management system, and bidders should detail how this system will operate. Given the central importance of this function, DFID / BEIS advises that bidders include an 'Information Manager' as part of their project delivery team. The knowledge management system should be established so that it is not burdensome for the M&E partner to respond to ad-hoc requests.

3.5 Analytical considerations/limitations

The key dependency for this contract is availability of data and information from IFC, IFC Asset Management Company and United Nations Environment Programme. Given the commercially sensitive nature of the information, particularly with respect to investments, the supplier will be expected to have strong systems in place to maintain the confidentially of the information.

3.6 Monitoring gender equality

DFID is required by the International Development (Gender Equality) Act 2014 to consider the reduction of inequality's between persons of different gender when designing, approving and funding ICF programme activities. The M&E partner is expected to monitor gender balances in all CP3 activities to provide a disaggregated measure of gender wherever possible. Gender balances should also be accounted for when assessing the outcomes and impacts of CP3 activities. Details of how this will be conducted for M&E of CP3 should be provided in proposals.

4. Summary of M&E deliverables requirement

To assist bidders, the products expected to be delivered by the M&E partner referenced throughout this tender, regardless of the specific M&E approaches taken, are summarised below. BEIS and DFID are aware that the specific deliverables will depend on the approach to reporting taken by the M&E partner, and this is therefore to be used as a guide. To prevent additional administrative, quality assurance and sign-off burden, bidders may consider combining these deliverables where appropriate.

DFID and BEIS reserve the right to scale up/down the contract subject to project need, review recommendations and budget availability.

M&E deliverable	Due date of first deliverable
M&E approach paper / delivery plan	Within six weeks of contract starting
Half-yearly report	Biannually starting in 2021.
Methodology guidance note	April 2020, then annually
Annual report and support for Annual Review process	August 2020, then annually
Live scoring meeting	August 2020, then annually
Technical presentation	October 2020, then annually
Mid-term evaluation report and presentations at DFID / BEIS	2023
Impact evaluation approach paper re-fresh	2024
Impact evaluation report and presentations at DFID / BEIS	2026
Case studies	1 per year
Ad-hoc M&E activities	Ad-hoc activities to support the programme, including providing support in answering queries relating to results and methods.

5. Working arrangements

The M&E contract will be managed by a Management Group, provisionally comprising:

- Senior Responsible Owners from DFID and BEIS who are responsible for implementing recommendations.
- Day-to-day contact, Programme Manager, DFID.

- Evaluation lead, BEIS.

DFID / BEIS expects close interaction between the Management Group project manager and M&E partner throughout the length of the contract to ensure that emerging issues are dealt with promptly and that DFID / BEIS fully understands the assumptions and approach taken. In their proposals, bidders should name one primary point of contact/project manager through whom all enquiries can be filtered, and one back-up point of contact should the primary person be unavailable.

Liaison will include up to four meetings and two presentations by the evaluators. These meetings will take place in London, but may involve teleconferencing or video conferencing with Management group members working elsewhere. Where possible, efforts should be made to attend presentations in person. The evaluation team may use video conferencing for the first presentation and most meetings but must budget for attendance of all core members at a minimum of one meeting and one presentation in London.

To ensure that the project runs smoothly and that there is effective scrutiny, oversight and quality assurance, the evaluation will be managed by a single DFID project manager who will be the central point of contact. The DFID project manager and contractor point of contact will undertake regular catch up phone calls to address emerging issues and review progress. The appropriateness of working arrangements will be assessed during the contract review at the end of the inception phase. Bidders are welcome to suggest additional working arrangements to be implemented and tested during the inception phase.

In addition to M&E outputs and deliverables produced by the M&E partner, DFID / BEIS will need timely access to all the key assumptions used in the analysis and the data and methodologies used to carry out the work. Contractors should also provide the relevant data to DFID / BEIS at the end of the project.

DFID / BEIS will commonly provide two rounds of comments on evaluation deliverables, (i.e. inception reports, baseline reports, evaluation reports) before final reports are agreed. Analytical quality assurance for reports will include sign off by BEIS's senior analyst for the evaluation and potentially include the use of DFID's EQUALS service, if appropriate. In addition, DFID / BEIS reserves the right to review and sign off all research tools and sampling methodologies. These QA steps should be considered in any timetable. We will agree a timetable for regular updates on progress by email or phone.

6. Required skills

Bidders should clearly set out the skills and expertise provided by each member of the proposed project team to meet the requirement.

The following skills and expertise are considered particularly important for this project:

- Demonstration of expertise and capability of undertaking impact and process evaluation

- Understanding of policy area, including private sector development and engagement in climate finance and expertise or exposure to private equity transactions
- Design and application of primary and secondary qualitative and quantitative data collection and analysis
- Delivery of high-quality synthesis and reporting of complex policy evaluations
- Expertise in ensuring communication and uptake of research findings
- A track record of developing and applying theories and concepts, e.g. additionality, contribution and the demonstration effect, to innovative programmes
- Knowledge of gender, social and poverty research and analysis
- Assessing value for money of development programmes
- Ability to assess financial mobilisation and additionality and attribution using project level data.

Each team member must have the high-level of relevant research and analytical expertise required to deliver their assigned tasks to meet UK Government Social Research standards as detailed in the Magenta book.

Bidders should propose named members of the project team, and include the tasks and responsibilities of each team member. This should be clearly linked to the work programme, indicating the grade/seniority of staff and number of days allocated to specific tasks.

Bidders should identify the individual(s) who will be responsible for:

- Managing the project
- Writing reports

7. Quality Assurance processes

Useful sources of guidance and advice that will help bids and the resulting work be of the highest quality include:

- The Government Social Research Code, in particular those that relate to GSR Products: http://www.civilservice.gov.uk/networks/gsr/gsr-code
- The Green Book: appraisal and evaluation in central government. https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government
- The Magenta Book, Government guidance on policy evaluation and analysis.
    - Magenta book: http://www.hmtreasury.gov.uk/data_magentabook_index.htm

  - Supplementary Guidance on the Quality in Policy Impact Evaluations http://www.hm-treasury.gov.uk/data_magentabook_supguidance.htm

- Quality in Qualitative Evaluation: A Framework for assessing research evidence provides a Framework for appraising the quality of qualitative evaluations.
- DFID's Ethics principles for research and evaluation.
- DFID's approach to Value for Money, which is used across all BEIS and DFID ICF project appraisals.

Where relevant, all bids should refer to these pieces of guidance and advice and how they will be used.

8. Data security and GDPR

Bidders must ensure they adhere to the requirement of the General Data Protection Regulations 2018 (GDPR)

The GDPR is a mandatory requirement for all contracts or agreements both in the contracting authority and the private sectors that involves the transfer and processing of personal data and came into force on the 25th May 2018.

It is mandatory for bidders to demonstrate that they will be able to meet the expected requirements and obligations prescribed by the GDPR. All contracts or agreements that are awarded by the Contracting Authority (the data controller) shall contain terms and conditions that oblige the successful bidder and any bidder supply chain (data processor) to comply with the GDPR and indemnify the Contracting Authority (data controller). Further information and guidance relating to the GDPR is available from the Information Commissioners Office (ICO) at: https://ico.org.uk/

The supplier and their subcontractors will be required to sign (or abide by) a non-disclosure agreement and apply DFID and BEIS information security policies to all information they access as part of this work, including ensuring that only duly authorised personnel can access protectively marked information. The supplier and their subcontractors will need to demonstrate the availability of adequate infrastructure and a business continuity plan to deliver the work to a high level of quality at the required time, ensuring the protection of information at all times.

9. Duty of care

The Supplier is responsible for the safety and well-being of their Personnel (as defined in Section 2 of the Contract) and Third Parties affected by their activities under this contract, including appropriate security arrangements. They will also be responsible for the provision of suitable security arrangements for their domestic and business property.

DFID and BEIS will share available information with the Supplier on security status and developments in-country where appropriate.

The Supplier is responsible for ensuring appropriate safety and security briefings for all of their Personnel working under this contract Travel advice is also available on the FCO website and the Supplier must ensure they (and their Personnel) are up to date with the latest position.

This Procurement may require the Supplier to operate in a seismically active zone considered at high risk of earthquakes. Earthquakes are impossible to predict and can result in major devastation and loss of life. There are several websites focusing on earthquakes, including http://geology.about.com/library/bl/maps/blworldindex.htm . The Supplier should be comfortable working in such an environment and should be capable of deploying to any areas required within the region in order to deliver the Contract (subject to travel clearance being granted).

This Procurement may require the Supplier to operate in conflict-affected areas and parts of it are highly insecure. Travel to many zones within such regions will be subject to travel clearance from the UK government in advance. In such situations, the security situation may be volatile and subject to change at short notice. The Supplier should be comfortable working in such an environment and should be capable of deploying to any areas required within such regions in order to deliver the Contract (subject to travel clearance being granted).

The Supplier is responsible for ensuring that appropriate arrangements, processes and procedures are in place for their Personnel, taking into account the environment they will be working in and the level of risk involved in delivery of the Contract (such as working in dangerous, fragile and hostile environments etc.). The Supplier must ensure their Personnel receive the required level of training and [where appropriate] complete a UK government approved hostile environment or safety in the field training prior to deployment.

Tenderers must develop their Tender (if Invited to Tender) on the basis of being fully responsible for Duty of Care in line with the details provided above and the initial risk assessment matrix prepared by DFID at ITT stage. They must confirm in their ITT Response that:

- They fully accept responsibility for Security and Duty of Care.
- They have made a full assessment of security requirements.
- They have the capability to provide security and Duty of Care for the duration of the contract.

If you are unwilling or unable to accept responsibility for Security and Duty of Care as detailed above, your Tender will be viewed as non-compliant and excluded from further evaluation.

Acceptance of responsibility must be supported with evidence of Duty of Care capability and DFID/BEIS reserves the right to clarify any aspect of this evidence. In providing evidence, interested Suppliers should respond in line with the Duty of Care section in the Invitation to Tender (ITT).

Acceptance of responsibility must be supported with evidence of capability (no more than 2 A4 pages) and DFID/BEIS reserves the right to clarify any aspect of this evidence. In providing evidence Tenderers should consider the following questions:

a) Have you completed an initial assessment of potential risks that demonstrates your knowledge and understanding, and are you satisfied that you understand the risk management implications (not solely relying on information provided by DFID/BEIS)?

b) Have you prepared an outline plan that you consider appropriate to manage these risks at this stage (or will you do so if you are awarded the contract) and are you confident/comfortable that you can implement this effectively?

c) Have you ensured or will you ensure that your staff are appropriately trained (including specialist training where required) before they are deployed and will you ensure that on-going training is provided where necessary?

d) Have you an appropriate mechanism in place to monitor risk on a live / on-going basis (or will you put one in place if you are awarded the contract)?

e) Have you ensured or will you ensure that your staff are provided with and have access to suitable equipment and will you ensure that this is reviewed and provided on an on-going basis?

f) Have you appropriate systems in place to manage an emergency / incident if one arises?

10. Conflict of interest

The contract will be managed under the GEFA framework standard terms and conditions and will refer to conflict of interest and require contractors to declare any potential conflict of interest to the Contract Manager.

For research and analysis, conflict of interest is defined as the presence of an interest or involvement of the contractor, subcontractor (or consortium member) which could affect the actual or perceived impartiality of the research or analysis.

Where there may be a potential conflict of interest, it is suggested that the consortia or organisation design working arrangements such that the findings cannot be influenced (or perceived to be influenced) by the organisation which is the owner of a potential conflict of interest. For example, consideration should be given to the different roles that organisations play in the research or analysis, and how these can be structured to ensure an impartial approach to the project is maintained.

Failure to declare or avoid conflict of interest at this or a later stage may result in exclusion from the procurement competition, or in DFID exercising its right to terminate any contract awarded.

Please note that the rule of the Global Evaluation Framework Agreement (GEFA) state that 'evaluators who assist in the production of an 'Approach Paper' or 'Design Paper' which explores evaluability and design options for the evaluation and methodological issues or implementation of a programme should not be asked to participate in the full evaluation work, as this could represent a conflict of interest'

Also, suppliers of the Climate Public Private Partnership (CP3) Programme are excluded from bidding for this contract and the M&E partner must be totally independent from these suppliers.

11. Period of contract

The contract shall run from January 2020 to end of December 2026 or until the contractor satisfactorily delivers the requirement.

12. Contract review and break points

To ensure value for money, DFID reserves the right to undertake a review of the contract at any time during the contract's lifetime. At a minimum, this will include mandatory contract review and break points following the inception phase and after the first year of M&E activity. Amongst other considerations, these review periods will reflect on the M&E partner's performance over the period under consideration, as well as the M&E plans set out in the inception report/delivery plans. Only once BEIS is satisfied and has signed off the delivery plan can those plans be enacted by the M&E partner. Time for BEIS to formally undertake these contracts reviews should be built into the timelines of the M&E work.

13. Budget and payment arrangements

The maximum budget to December 2026 is £1.8million, inclusive of any applicable taxes. Travel and expenses should be in line with DFID standard policy. This maximum is provided to guide suppliers and to try to ensure proposals are not overly elaborate or unaffordable. It does not indicate that DFID believes the full budget needs to be allocated in order to deliver a high-quality evaluation which meets these Terms of Reference.

DFID *has not* broken down this budget by financial or calendar year. Bidders should detail what their spend will be by financial year, broken down by M&E tasks, based on their proposed M&E activity and linked to the M&E framework. This spend should be split between project management and project delivery.

In submitting full tenders, suppliers confirm in writing that the price offered will be held for a minimum of 6 months from the date of submission. Any payment conditions applicable to the prime contractor must also be replicated with sub-contractors.

Bidders should note that in order to maintain a degree of flexibility in CP3 M&E, DFID will authorise work, and therefore spend, on a financial year basis. Successfully bidding for this project commits the M&E partner to delivering the work during the inception phase, at which point the contract will be reviewed, taking account of work conducted and the M&E plans going forward. Only with DFID and BEIS authorisation and the sign-off of the inception report should the M&E partner initiate their planned work. Performance against the contract will be measured against the acceptability of the deliverables set out in the payment schedule, as well as the timeliness of submissions, the strength of the working relationship and the responsiveness and flexibility of the vendor in response to queries.

In their proposals, bidders should provide a recommended arrangement for the timing, submission and payment of invoices for work conducted, based on their proposed M&E activities and reporting and with reference to the indicative pricing schedule set out in the ITT Pro Formas. This should account for DFID only being willing to make payments on the successful delivery of M&E outputs, determined by final sign-off. Final sign-off, and consequently as assessment of the quality of the work completed, will be at the complete discretion of DFID and BEIS. DFID and BEIS will work with the partner in the development of these outputs to ensure they reflect expectations.

Given that certain outputs will be delivered at similar times during the project, and to reduce the administrative burden on both HMG and the M&E partner, HMG expects the partner to submit invoices reflecting multiple strands of M&E activity, rather than one invoice for each work strand.

Each invoice must include a breakdown of billable days or hours of work undertaken and submitted promptly, to assist HMG's cost control and payment processes. DFID's target is to pay all approved invoices within a maximum period of 10 days.

14. Content of tender

Bidders are asked at tender stage to include a detailed plan of proposed M&E activities including:

- Their methodology and how it can build on and improve the existing methods employed in the monitoring and evaluation of the programme
- Sources of secondary and primary data
- M&E outputs
- Key challenges
- Staff roles and qualifications
- A timetable for completion of activities, and
- A detailed budget

15. Price schedule

Please use the pricing schedule set out within the ITT Volume 3 document.

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Milestone	Percentage
Annual Review & technical presentation	1.6% of contract value per report
Half yearly report & Methodology guidance note	3.3% of contract value per report
Case Study	3.3% of contract value per report
2nd Mid Term Evaluation	10%
Impact approach and report	10%
Expenses	Paid on actuals

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List of appendixes:

- Appendix A: CP3 TOC
- Appendix B: ICF KPI methodologies
- Appendix C: BEIS ICF guidance: approach to programme monitoring
- Appendix D: CP3 M&E phase 1 Outcome indicators and scores
- Appendix E: Evaluation questions to date

- Appendix 1 of Call-down Contract (Terms of Reference) - Schedule of Processing, Personal Data and Data Subjects

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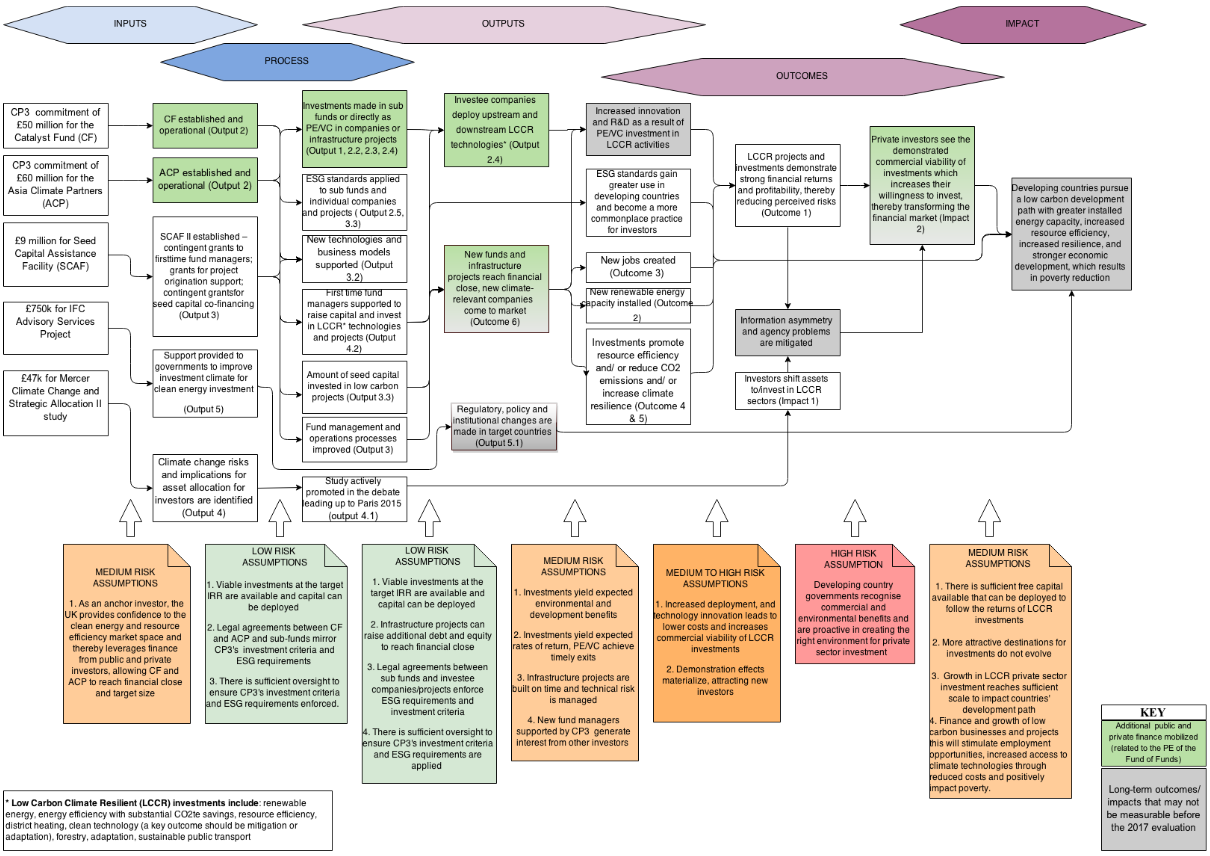
Appendix A – CP3 Theory of Change



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Appendix B - KPI 12 Methodology Note

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Appendix C - BEIS ICF Guidance: Approach to Programme Monitoring

Contents

1. Introduction

This monitoring framework is intended to support BEIS International Climate Finance (ICF) programme leads and delivery partners during planning and implementation of project and programme regular monitoring. It sets out the rationale for monitoring BEIS ICF programmes, the requirements for monitoring of ICF programmes, and the appropriate responsibilities. This document has been designed to be shared between BEIS staff and BEIS delivery partners so as to facilitate a common and transparent approach. Please note, this document is focussed on performance monitoring, and monitoring of outputs, outcomes and impacts. It does not cover management informational necessary to monitor fraud, financial controls etc.

2. Monitoring BEIS ICF Programmes

Monitoring is used to judge the performance, and continued relevance of a programme through regular, periodic reporting. It should be used in conjunction with evaluations and other programme assessments. All programmes funded through BEIS ICF should be underpinned by a clear monitoring strategy. Initially this will be set out in the management case section of a BEIS programme business case prior to programme mobilisation. The management case should set out data requirements, potential data sources and how the data will be obtained and monitored at the start of the project (baseline), at various intervals during the project (milestones) and at the end of the project (target) to help assess the trajectory of outputs through to outcome and impact. The monitoring strategy may then be further developed in a monitoring and results framework or equivalent. It is often useful to combine this with the evaluation plan[15] in a monitoring and evaluation strategy. Monitoring is required to feed into the annual review cycle (logframe data), and the results collection cycle (Key Performance Indicator data). The logframe and KPIs are the two central components used by BEIS to monitor programme performance.

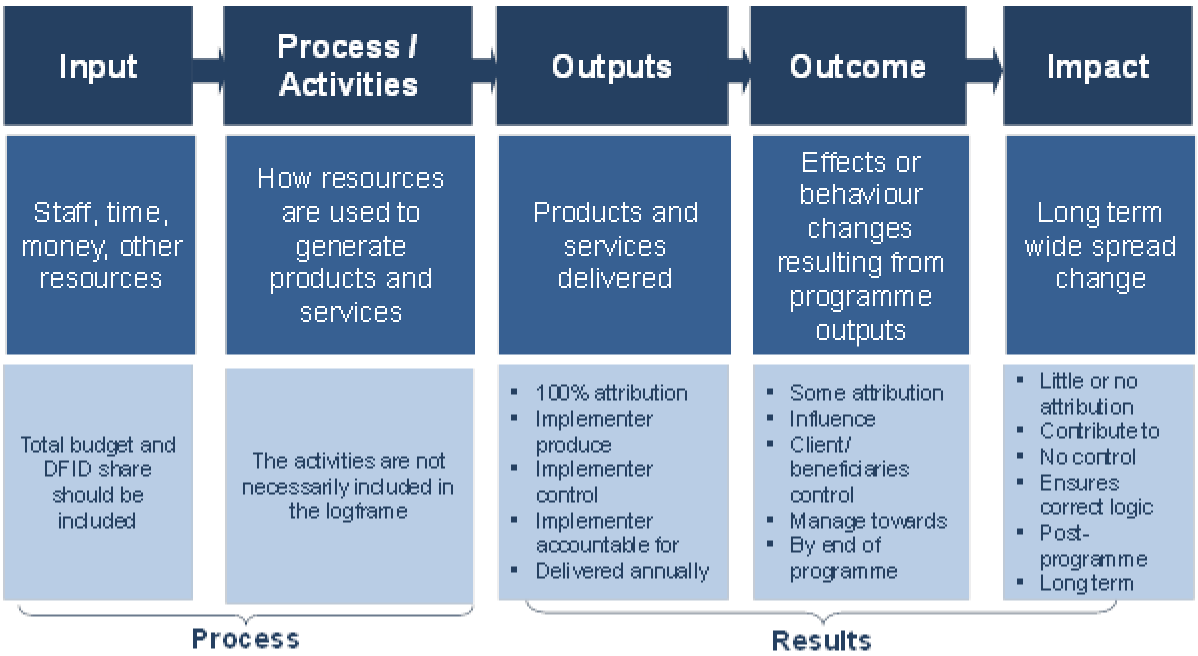
3. Logframes: purpose and responsibilities

All BEIS ICF programmes are required to monitor progress against KPIs <u>and</u> programme specific indicators. The tool used to collate and present the data against milestones is the logframe. Both KPIs and programme specific indicators should normally be captured in the logframe. The logframe template is available on request. Alternatives to this approach are possible, but should be agreed at the outset of the programme and signed off by the BEIS programme senior responsible officer.

Logframes are the essential underpinning source for all our ICF reporting, they support both the KPI results collection, and the annual review process. The logframe is a tool which should be used throughout the project cycle from design and appraisal though to implementation, completion and post-completion.
Ultimately BEIS will decide what is tracked within the logframe, what milestones are, and what overall targets should be. However, this should be informed by collaboration with the delivery partner. Often a delivery partner will be required to develop and maintain the logframe, and BEIS will provide oversight and approval. The delivery partner will be required to provide the majority (in most cases all) the data required for the logframe – so early collaboration is essential to ensure processes are in place to facilitate the requisite data collection.
All programmes should have a finalised logframe within 6 months of business case approval. This often requires significant work developing a draft during business case development. The logframe needs to be ready to use in your first annual review, as the annual review process is when programmes are scored using the logframe.
The logframe suitability will be reviewed during the annual review process. Nearly all logframes will undergo alternations throughout their lifetime as part of adaptive management – however to ensure robustness all alterations will require senior sign off by BEIS.

4. Logframe: design

The logframe is an expression of the "results chain" – the results we expect the project to achieve. Logframes commonly require indicators to be developed at the outputs, outcome and impact stages of the results chain. Example of a results chain is below:



A logframe consists of 6 main sections:

1. Project title/description - this should be a meaningful, easily understood (plain English) Project Title, not more than 50 characters including spaces.

2. Impact - the impact is not intended to be achieved solely by the project. This is a higher-level situation that the project will contribute towards achieving. Indicators at this level should be “impact” measures. The impact should be measurable. Indicators should only state what will be measured – i.e. they should not include elements of the baseline or target.

3. Outcome – ideally there should only be one main Outcome for the project, but multiple outcomes are sometimes appropriate. The Outcome should identify what will change, and who will benefit. It is seen to be the indirect effect of the intervention’s direct outputs. Indicators at this level should be “outcome” measures. As with the Impact indicators they should only state what will be measured – i.e. they should not include elements of the baseline or target. Each indicator chosen to measure your objectives must be verifiable by some means. If not, another indicator must be used.

4. Outputs - Outputs are the specific, direct deliverables of the project. These will provide the conditions necessary to achieve the Purpose. The logic of the chain from Output to Purpose therefore needs to be clear. Outputs are assigned impact weights, a percentage for the contribution each is likely to make towards the achievement of the overall Purpose. The sum of all impact weights must total 100% and each should be rounded to the nearest 5%.

5. Indicators - Impact, Outcome and Outputs should all have indicators to show what is to be measured. They also need targets to show the desired value or direction for progress, baselines to show the starting point and a source. Basic principles for indicators are:

- The ICF Key Performance Indicators that have been identified as relevant to this project should be integrated into the appropriate level of your logframe, e.g. either as indicators of impact, outcome or output.
- Indicators should not include any elements of the target, this should only be included in milestones
- Indicators should be specific and measurable, e.g. SMART.
- Indicators should be disaggregated where possible and gender aware
- Consider including both quantitative and qualitative indicators
- Baseline data should be included: at impact level where possible; at outcome level; and at output level unless their absence is justified and there is provision in place to obtain data within six months.

6. Assumptions and Risks - As part of the design phase, you will need to define the important assumptions you are making, which should be linked to the realisation of your project’s Outcome and individual Outputs. The assumptions at these levels will not necessarily be the same.

5. Key Performance Indicators (KPIs)

Whilst commonly included in logframes and used for programme management and assessment, KPIs also serve a different function. KPIs are indicators which demonstrate the project or programmes progress in areas of strategic importance to the ICF portfolio. As such, all programmes are expected to report against at least one (and in most cases more than one) ICF Key Performance Indicators (KPIs). It is expected that all ICF programmes will report against KPI 15 – the extent to which the ICF intervention is likely to have

transformational impact. The KPIs are then aggregated annually in March by HMG at ICF portfolio level, and the aggregate results are published annually.
The KPIs are:

KPI 1	Number of people supported by ICF programmes to cope with the effects of climate change
KPI 2	Number of people with improved access to clean energy as a result of ICF projects
KPI 3	Number of forest dependent people with livelihoods benefits protected or improved as a result of ICF support (undergoing development)
KPI 4	Number of people with improved resilience as a result of ICF support
KPI 5	Number of direct jobs created as a result of ICF support
KPI 6	Net Change in Greenhouse Gas Emissions (tCO_2e) – tonnes of GHG emissions reduced or avoided
KPI 7	Level of installed capacity (MW) of clean energy generated as a result of ICF support
KPI 8	Number of hectares where deforestation and degradation have been avoided through ICF support (undergoing development)
KPI 9	Number of low carbon technologies supported (absolute number of units installed) through ICF support
KPI 10	Value of ecosystem services generated or protected as a result of ICF support (undergoing development)
KPI 11	Volume of public finance mobilised for climate change purposes as a result of ICF funding
KPI 12	Volume of private finance mobilised for climate change purposes as a result of ICF funding
KPI 13	Level of integration of climate change in national planning as a result of ICF
KPI 14	Level of institutional knowledge of climate change issues as a result of ICF support
KPI 15	Extent to which ICF intervention is likely to have a transformational impact
KPI 16	Net change in energy consumption (MWh) – MWh of energy saved

For each KPI a methodological note has been developed, providing guidance about how to provide a robust measure that can be collected annually. These guidance notes are available on request. Some are still in development, but reporting against them where possible is encouraged[16]. Each year BEIS will require delivery partners to report against the KPIs which that programme has committed to report against.
All KPI data will then undergo an internal quality assurance process ahead of aggregation and publication. During this time delivery partners may be required to work with BEIS to ensure robustness. This may mean, for example, providing the underpinning data for robustness checks, or discussing the data collection process in more detail.
In order to effectively track who is benefiting from the intervention, including girls and women and the poorest people, it is important to use (and invest in the generation of) disaggregated data, e.g. – by sex, age, poverty quintile where this is appropriate.

6. What is the difference between a theory of change, a logframe and a results chain?

Theory of change	• Maps out multiple causal pathways • Explores what is implicit - spelling out assumptions • Cites the evidence (or lack of it) relating to each causal link • Prompts critical reflection and re-thinking of approach • Is of particular value for evaluation. • Consists of both a diagrammatic and narrative description.
The results chain	• shows the logical (linear) relationship between: • The resources that go into a project (inputs) • The activities the project undertakes • The changes or benefits that result.
The logframe	• an expression of the results chain showing the results you expect the project to achieve (its Impact, Outcome and Outputs) • Monitoring tool to measure progress against the results chain, comparing planned and actual results • Includes indicators, baselines, milestones, targets and sources to measure progress • Outlines the assumptions which are linked to the realisation of a project's success.

7. Summary table of BEIS monitoring tools and their interaction

Tool	**Description**	• **Interaction with other tools**
Logframe	• The tool used to collect programme specific indicators	• Can include KPIs, and will be used to inform evaluations and annual reviews
Theory of Change	• A diagram	• Used to help design

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	expressing the causal pathways and key assumptions to a programme achieving long term goals	the logframe, as can guide what relevant outputs, outcomes and impacts are.
Annual Review	• Annual process of BEIS assessing a programme	• Uses logframe, KPIs and evaluation information to score a programme.
Evaluation	• A less frequent (than routine monitoring) in depth independent review of the programme which makes a judgement about programme performance and delivery.	• Draws on logframe data and KPI data but goes into more depth. Will often review the validity of regular monitoring and KPI information. Will inform the annual review.
Key Performance indicators	Annual indicators that demonstrate programme performance against BEIS ICF strategic goals. They are aggregated across all HMG ICF programmes.	• Often an integral part of logframes.

Appendix D – CP3 M&E phase 1 Outcome indicators and scores

Outcome indicator[7]	Fund	December 2016 (actual, cumulative)	March 2017 (modelling forecast)	September 2026 (modelling forecast for program close)
1: Funds performance in industry and sector indices, including Internal Rate of Return (IRR)	ACP and CF	Too early for funds to be ranked	Too early for funds to be ranked	Top quartile ranking in emerging market private equity fund of funds
2: Level of installed capacity of clean energy as a result of CP3 investments (KPI 7)	ACP	**5 MW[8]**	**0 MW**	130 MW
	CF	**32 MW**	**50 MW**	286 MW
3: Number of 'green jobs' created as a result of CP3 support (KPI 5)	ACP	**171 Jobs**	**0 Jobs**	1,306 Jobs
	CF	**304 Jobs**	**458 Jobs**	2,818 Jobs
4: Amount of GHG emissions avoided/ reduced as a result of CP3 (KPI 6)	ACP	**10,980tCO2e**	**0tCO2e**	1.9mtCO2e
	CF	**61,106tCO2e**	**149,993tCO2e**	6.1mtCO2e
5: Amount of energy consumption avoided through energy efficiency savings	Both ACP and CF funds have started reporting on avoided energy consumption. No milestones have been set due to the wide variety of investments possible in the energy efficiency sector and the difficulty in forecasting impacts. This variety can leave the program open to a wide margin of errors therefore it might not be useful to set milestones for energy efficiency at this stage. Energy efficiency savings will continue to be monitored.			
6: Number of projects and first time fund managers supported by SCAF	SCAF II	0 projects and 1 first time fund manager have reached financial close, 8 projects have been seeded		25 projects

[7] KPIs refer to International Climate Fund (ICF) key performance indicators. Six ICF KPIs have been linked with CP3 progress measures. The relevant CP3 outcome level indicators have been correlated with KPIs 5, 6 and 7.
[8] Megawatts

successfully reaching financial close			(target for 2021)

An indicative example of the detailed indicators that feed into each output is provided below:

Output Title	IFC CF and ACP mobilise private equity finance for low carbon, climate resilient (LCCR) investments		
Output number per LF	1	**Output Score**	**B**
Risk	Moderate	Impact weighting (%):	42%
Risk revised since last AR?	No (2016 AR risk rating = moderate)	Impact weighting % revised since last AR?	No

Indicator[9]	**2017 milestone (cumulative)**	**Assessment of performance**	**Performance (ACP and CF) (cumulative)**	**Performance ACP**	**Performance CF**
Amount of Funds of Funds private equity finance raised - disaggregated by ACP/CF and by public and private sources	$1,168m	**Did not meet expectation** ($304m shortfall due to smaller closing of ACP)	$864m	$447m (total, rounded) $288m from public sources $159m from private sources	$417m (total, rounded) $297m from public sources $120m from private sources
Amount of sub-fund private equity finance raised ($m)	$950m	**Substantially exceeded expectations**	$1,432m	$0m ACP does not expect to invest in sub funds in the near future	$509m from public sources $923m from private sources
Amount of public and	$1,273m	**Did not meet**	$931m	Estimated based on sampling.	Estimated based on sampling.

[9] KPIs refer to International Climate Fund (ICF) key performance indicators. Six ICF KPIs have been linked with CP3 progress measures. The relevant Output 1 level indicators have been correlated with KPIs 11 and 12.

private equity leveraged at project and company level[10]		**expectation**	estimated	$73m total equity leveraged.	$858m total equity leveraged.
Amount of public and private debt leveraged at project and company level	$3,162m	**Did not meet expectation**	Estimated based on sampling. $2,791m total debt leveraged.	Estimated based on sampling. $165m total debt leveraged.	Estimated based on sampling. $2627m total debt leveraged.
Public Finance mobilised (KPI 11) (attributed to the UK, above business as usual performance)	£65.4m[11]	**Did not meet expectations.** **Does not include project level leverage** (see footnote on methodology for setting 2017 milestone)	£51.1m[12]		
Private Finance mobilised (KPI 12) (attributed to the UK, above business as usual performance)	£57.5mm[13]	**Substantially exceeded expectations***(please see footnote on methodology for setting 2016 milestone)*	**£120.2m** [14]		

As part of the Mid Term Evaluation of the programme, the following questions were assessed:

Core Question	Evaluation Question	OECD DAC
Is CP3 achieving its	EQ1: Are CP3 investment funds investing according to	Relevance, Effectiveness

[10] Leverage is the amount of additional money that is put into the investment

[11] Milestones for KPI 11 and KPI 12 have been adjusted in this reporting period to take into account model changes for comparison of performance. CP3 is a multi-tiered investment vehicle. CF mainly invests in other private equity funds, which then invest in companies and projects. ACP mainly invests directly in companies and projects. Additional finance is leveraged from both private and public sources by the funds and sub-funds. T. The milestones do not take into account attribution and additionality.

[12] The UK's ICF reporting is in sterling. US$ / GBP exchange rate applied is $1.3495 = £1

[13] See footnote above on milestones and methodology

[14] See footnote above for exchange rate applied

investment objectives as set out in the business case?	the business case mandate?	
	EQ2: Are investments resulting in the outputs, outcomes, and impacts expected in the CP3 Theory of Change?	Impact, Effectiveness
	EQ3: To what extent is CP3 leveraging additional private and public finance for low carbon climate resilient technologies in developing countries?	Impact
	EQ4: Did CP3 contribute to solving key barriers in the markets in question (e.g. information asymmetries, agency problems, etc.)	Impact
Have these objectives been achieved in a cost-effective manner?	EQ5: Did CP3 represent Value for Money for HMG?	Effectiveness, Efficiency
Are its outcomes and impacts likely to be maintained after the programme ends?	EQ6: Did CP3 contribute to transformational change in the countries and markets targeted?	Impact, Sustainability
	EQ7: Has CP3 contributed to fund managers' capacity to undertake low carbon climate resilient investments?	Sustainability

Appendix E – Evaluation questions to date

Evaluation question	Possible Method/source of data
1) **Relevance (Additionality)** – what has the effect of CP3 been compared to a BAU scenario? Would markets have evolved in the same way without BEIS/DFID funding?	
Indicators:	
- Investment environment in counties where investments took place - Was access to finance increased? - Where new technologies developed?	Market surveys; benchmarking.
2) **Effectiveness** – how are the CP3 funds and sub-funds performing financially?	IRRs of funds, performance indices of individual PE funds.
Indicators:	
- issues with raising additional funds e.g. debt for project closure	Interviews with fund managers and project developers
- specific exit and follow on investment issues	IFC and first time fund managers
- level of success in driving Adaptation investment (forestry, water, agriculture, urban planning, climate resilience) more generally	Information from funds
3) **Efficiency** – how are the monitoring systems performing in terms of indicator collection?	Funds/project investments
Indicators:	
- success in driving adaptation and forestry investment	Information from funds
- drivers of investment, including: political conditions, policy/regulatory conditions, macroeconomic conditions, risk perceptions of technology and operations, industry perception as of competitors, substitutes, buyers, suppliers	Map against indices e.g. WB DB, climate friendly policies etc
4) **Sustainability** – what are the effects on the wider finance and carbon markets?	Questionnaires Business School enquiries
Indicators:	
- Improvements in enabling environment in	

implementation countries	
- No. and types of first time fund managers	IFC/First time fund managers
- Influence of TA on the amount and patterns of climate finance flows	Interviews with TA project managers, and their partners.
- Extent to which TA has driven development in LDCs	
- ESG standards implemented and mainstreamed (i.e. outside of the two CP3 funds)	Funds, countries, projects
5) **Impact** – have the projects carried out via the funds increased jobs, energy access and security and developmental impact? What kind of impact has CP3 had on institutional investors and in increasing flows into climate finance? In what circumstances, to what extent, for whom and how have demonstration effects contributed or not to private investors' decisions to invest in low carbon, climate resilient markets? Have there been unintended outcomes from demonstration effects, in what circumstances, for whom and why?	Survey with funds and investee funds, project analysis and in-country interviews Interview existing CP3 investors, calculation, tracking and indices.
Indicators:	
- No. of jobs: ○ Created in the formal sector ○ Type of industry ○ Contract conditions (e.g. temporary/fixed, income above poverty level) ○ Gender distribution ○ Potential displacement effect	Survey with funds and investee funds.
- Specific resource/environmental issues addressed and how	People Surveys, reports
- Gender issues addressed	People Surveys
- Forestry issues addressed	Project reviews
- Technologies and innovations with most developmental impact	Funds/project investments
- No. of PE climate funds in developing countries	Fund manager interviews
- Type of projects being invested in and where (clean	Information from funds; detailed geographic and sector analysis – charts

tech and installations and sector)	by % age and year
- Co-investors in projects and funds	Interviews with fund managers
- Levels of carbon savings	Funds/project investments
- Improvements in installed clean energy capacity	Funds/project investments + data
- Types of energy efficiency projects	Funds/project investments
- Relationship between the Fund managers', the project, and country governments?	Interviews with DFID offices, MDBs, fund managers and country governments

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Appendix 1 of Call-down Contract (Terms of Reference)

Schedule of Processing, Personal Data and Data Subjects

This schedule must be completed by the Parties in collaboration with each-other before the processing of Personal Data under the Contract.

The completed schedule must be agreed formally as part of the contract with DFID and any changes to the content of this schedule must be agreed formally with DFID under a Contract Variation.

Description	Details
Identity of the Controller and Processor for each Category of Data Subject	The Parties acknowledge that for the purposes of the Data Protection Legislation, the following status will apply to personal data under this Call-down Contract: 1) The Parties acknowledge that Clause 33.2 and 33.4 (Section 2 of the contract) shall not apply for the purposes of the Data Protection Legislation as the **Parties are independent Controllers** in accordance with Clause 33.3 in respect of Personal Data necessary for the administration and/ or fulfilment of this contract. 2) For the avoidance of doubt the Supplier shall provide **anonymised data** sets for the purposes of reporting on this project and so DFID shall not be a Processor in respect of Personal Data necessary for the administration and/or fulfilment of this contract.

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Annex B

Proformas

Redacted

April 2014