

## Terms of Reference

### Monitoring, Evaluating and Learning from the International Climate Fund

#### 1. Introduction

1.1 Her Majesty's Government (HMG) is providing £3.87 billion of Official Development Assistance (ODA) over the period 2011/12 to 2015/16 to help developing countries achieve low carbon, climate resilient development that supports growth and reduces poverty. This funding is being delivered through the International Climate Fund (ICF) and represents a contribution towards developed countries' agreement to mobilise \$100 billion per annum of public and private finance by 2020 as part of the negotiations under the United Nations Framework Convention on Climate Change (UNFCCC). The ICF comprises a diverse portfolio of over 180 programmes ranging in value from under £1m to over £300m<sup>1</sup>. They are delivered in a wide range of countries and support low carbon development, adaptation to climate change and forest related initiatives.

1.2 The Department for International Development (DFID) is contributing £2.4billion to the Fund, the Department of Energy and Climate Change (DECC) is contributing £1.329 billion and the Department for the Environment, Food and Rural Affairs' (Defra) contribution is £140 million. Defra's funding is supporting forest-related projects and programmes.

1.3 The overall strategic objectives of the ICF are defined as follows:

- Change facts on the ground, delivering results that demonstrate that low carbon, climate resilient 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.
- Test out new approaches to delivering climate finance that have the potential to achieve bigger and better results in the future.

To do this the ICF will:

- Strengthen the evidence base and generate knowledge about which approaches to supporting climate finance work best;
- Mainstream climate change into UK overseas development assistance, EU development assistance and Multilateral Development Bank (MDB) lending;
- Strengthen UK relationships with key countries, including those with rising emissions potential and those showing strong political leadership in international negotiations;
- Drive change through the private sector by building new partnerships and tipping technologies to commercial scale and viability, to ramp up low carbon investment.

1.4 Capturing and disseminating robust data, evidence and knowledge generated through ICF programmes is a key ICF objective. It is critical to demonstrating the feasibility and desirability of low carbon, climate resilient development. An important aspect of work undertaken to date has been the development of a set

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<sup>1</sup> Detailed information about programmes funded through the ICF will be provided to the contractor in the inception phase.

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of Key Performance Indicators (KPIs), against which ICF programmes are expected to report results.

- 1.5 The ICF KPIs were designed by HMG to help HMG to better understand progress in relation to expected outcomes, and overall performance. They are largely output and outcome based indicators, which help support a narrative on the role the ICF has in delivering intended outcomes and impacts at the national, regional and/or global level. The indicators are relatively broad in their description to enable their application across a wide range of relevant ICF projects and programmes. They include a mix of sector specific indicators (adaptation, low carbon development and forestry) and cross-cutting indicators relevant to all thematic areas.
- 1.6 Plans to report results from the ICF recognise and support the commitment made at the Second High Level Forum on Aid Effectiveness (2005). At this forum it was recognised that aid could - and should - be producing better impacts. The Paris Declaration was endorsed in order to base development efforts on first-hand experience of what works and does not work. It is formulated around five central pillars: Ownership, Alignment, Harmonisation, Managing for Results and Mutual Accountability. Given the level of funding involved in the ICF, robust approaches to monitor and report results, and generate evidence and knowledge through evaluations on what works, where and why, are vital.
- 1.7 An increasing number of development partners are designing or developing approaches to measure the impact of their climate finance. This presents both risks and opportunities. Collaboration and co-ordination is therefore needed between development partners to ensure the identification and sharing of 'best practice' approaches, methodologies and metrics with which to measure, evaluate, report and compare climate programmes. It is envisaged that this programme of work will help streamline approaches and support more effective comparison of data and results from relevant global programmes.
- 1.8 Monitoring data, evaluation evidence and lessons learned from this programme of work will be used to inform the development of the ICF, HMG climate and environment investments, international development policies, programmes and decision-making. For example, to identify effective policies and programmes to best support delivery of the post-2015 development goals and deliver climate finance through existing and new global climate architecture under the Green Climate Fund.

## 2. Aims

- 2.1 DFID, DECC and Defra have established a programme of work to support the improved generation, dissemination and uptake of results data, evidence and knowledge from across the ICF portfolio.

The aims are to:

- Help address a critical evidence gap on effective approaches to promote and support low carbon, climate resilient growth and development;
- Support transparency, accountability and strengthened capacity for measurement-based performance management of international climate finance and results;

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- Encourage harmonisation and alignment of climate finance monitoring and evaluation activities, systems and agendas;
- Facilitate, capture and synthesise lessons learned to inform future investments.

### 3. Recipient

- 3.1 The immediate recipient of the required services will be the ICF management team comprising policy officials from DFID, DECC and Defra who are responsible for delivering and managing the ICF programme portfolio. Deliverables will be used by the team to inform decision-making and the development of appropriate policies and programmes.
- 3.2 International partners and donors, developing country governments and civil society organisations will be the primary beneficiaries of the results, knowledge, lessons learned and best practice generated by this programme. Again, it is envisaged that the deliverables will be used to inform decision-making and the development of appropriate policies and programmes.

### 4. Scope of contract and summary of work

- 4.1 This contract is intended to deliver a number of key outputs to support the achievement of the aims described above. Specifically, the contractor will deliver three outputs:
- OUTPUT 1: Complete development and testing of a set of robust key performance indicators (KPIs) and supporting methodologies for climate finance investments, with some associated data collection. This should build on the existing set of 15 ICF KPIs, which are at different stages of development, and the established biannual ICF results reporting<sup>2</sup> (see pages 4-9 for further information);
  - OUTPUT 2: Analyse and synthesise complex and varied programme level evaluation evidence and other forms of evidence based on the ICF Fund level Theory of Change<sup>3</sup>. This should fill critical data gaps and draw on experiences from across the ICF and more widely about how, where and why (or why not) climate change programmes are effective and achieve results (see pages 9-15 for further information) ;
  - OUTPUT 3: Play a key role in gathering, sharing and dissemination of results, evidence, knowledge and lessons from across the ICF portfolio. This will include international engagement activities; and the use of a knowledge and results platform (which is currently being established through a separate contract). It will also include identifying audiences and developing strategies to increase the uptake and use of learning from the ICF programme to maximise the influence of evidence from the ICF on international climate policies and actions. The contractor will be expected to work very closely with DFID's Climate and Environment Department, DFID country offices and other HMG platforms overseas to ensure activities are aligned, appropriate and support wider monitoring, evaluation and learning activities (see pages 15-18 for further information).

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<sup>2</sup> The ICF KPIs and latest available methodologies are included in Annex 4

<sup>3</sup> Please see Annex 3

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The scope of the contract has been defined and agreed by DFID, DECC and Defra.

Please see section 12 for details of deliverables.

#### **Cross-cutting themes**

- 4.2 Women and girls are disproportionately affected by the impacts of climate change and gender inequality remains a key obstacle to poverty reduction. Consequently, it is important that the approaches, methodologies, data and outputs are designed to capture gender impacts, provide understanding about the roles of women and girls in programmes and capture lessons learned about how to improve the delivery and impact of ICF programmes for women and girls.
- 4.3 DFID considers human rights, anti-corruption, humanitarian support, the capacity of partner countries and civil society important cross-cutting themes in all development programmes and critical to understanding achievements, delivery and lessons learned. As such, wherever possible and appropriate, the contractor should aim to explore these themes through the duration of the contract.
- 4.4 Similarly, where possible and appropriate, the contractor should consider how formal and informal partnerships with other organisations that may have similar or different goals have facilitated and impeded the achievement of the ICF objectives. These should inform the contractor's understanding of the context of achievements, delivery and lessons learned.

#### **5. Requirements**

- 5.1 The contractor will specifically be required to undertake the following activities over the course of the four year contract, in order to deliver the three outputs described above:

**Output 1: Complete development and testing of a set of robust key performance indicators (KPIs) and supporting methodologies for climate finance investments, with some associated data collection. This should build on the existing set of 15 ICF KPIs (see annex 5), which are at different stages of development, and the established biannual ICF results reporting**

The KPIs are aggregate indicators rather than absolute measures of performance.

- 5.2 The ICF KPIs are at various stages of development and finalisation:

- 12 of the 15 KPIs have draft methodologies and are being used to some extent by ICF programmes;
- Three KPIs do not have methodologies (including KPI10 which will be developed through this contract);
- KPI 4 is being developed and piloted in the ICF funded BRACED programme; and
- KPI 3 is being developed through separate work and its development is not part of this contract.

The contractor is required to test the validity of all of the indicators.

**5.3 Develop a new methodology and associated guidance for use, and undertake field testing with ICF programmes, with associated data identification and/or collection, for the following KPI:**

- KPI 10: Value of ecosystem services generated or protected as a result of ICF support including biodiversity benefits.<sup>4</sup>

This will require the contractor to

- i) review available methodologies, data and analytical tools sources and preparation of options for assessing the value of ecosystems services including and biodiversity benefits from ICF programme;
- ii) develop and pilot the preferred option at programme, project and country level;
- iii) roll out of data collection and reporting of ecosystem services and biodiversity benefits.

**5.4 Refine (including identifying any inconsistencies in current use) and finalise existing draft methodologies (including further supporting guidance where appropriate), and undertake field testing with associated data identification and/or collection, for the following 5 KPIs and one new indicator (which will become a KPI):**

- KPI 4: Number of people with improved resilience as a result of ICF support (taking into account the work already underway in DFID to develop and test a methodology to measure this)<sup>5</sup>;
- KPI 5: Number of direct jobs created as a result of ICF support (including breakdown of whether net / additional and indication of longevity of the jobs);
- KPI 13: Level of integration of climate change in national planning as a result of ICF support;
- 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;
- New KPI on energy efficiency (methodology recently developed internally, with limited field testing undertaken).

**5.5 Review existing methodologies (which have been field-tested and are being used by ICF programmes) and suggest any improvements to the methodologies and/or guidance for reporting as appropriate, for the following 8 KPIs. This should also take into account the findings from an internal HMG review of the KPIs in use since Sept 2012:<sup>6</sup>**

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<sup>4</sup> For KPI 10 the contractor will need to make use of a range of methods and technologies to ensure that cost effective, replicable data collection and verification methodologies are developed. A draft methodology for the development of this KPI is attached at Annex 4

<sup>5</sup> The contractor should work with the BRACED programme to ensure lessons learned and guidance from KP4 informs the development of the methodology.

<sup>6</sup> To be made available to the contractor in the inception phase.

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- 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 programmes;
- KPI 6: Change in Greenhouse Gas (GHG) emissions as a result of ICF support;
- KPI 7: Level of installed capacity of clean energy as a result of ICF support;
- KPI 8: Number of hectares where deforestation and degradation have been avoided through ICF support (field-testing currently underway in 3 countries);
- KPI 9: Number of low carbon technologies supported (units installed) through ICF support;
- KPI 11: Volume of public finance mobilised for climate change purposes as a result of ICF support;
- KPI 12: Volume of private finance mobilised for climate change purposes as a result of ICF support.

**5.6 Additionally, develop methodologies (or where draft methodologies exist, review and refine where necessary) and field-test with associated data identification and/or collection, for a number of ‘supporting’ indicators, which supplement the KPIs.** These activities should be focused on 3-5 countries where there is interest and demand for this work from DFID county offices. Below is a list of possible supporting indicators that ICF teams have identified for development. This list is not final and will need to be prioritised during the inception phase:

- Number of additional people serviced by new low carbon transport (supporting KPI 2);
- An approach to measuring avoided damages (supporting KPI 4);
- Number of new businesses (total and small and medium enterprises) supported by project (supporting KPI 5);
- Project level Greenhouse Gas abatement costs (supporting KPI 6);
- Additional households with access to electricity, disaggregated by on/off grid and poverty status (supporting KPI 7);
- Technology transfer (supporting KPI 9);
- Biodiversity impact of forestry projects (supporting KPI 10);
- Number and value of pro-poor ICF projects financed by private investment (supporting KPI 12);
- Quality of low carbon development strategy / National Appropriate Mitigation Action (NAMA) (supporting KPI 13);
- Extent and quality of coordination of climate risk management (supporting KPI 13);
- Financial support for climate change mainstreaming and related initiatives (supporting KPI 13);
- Extent to which climate information is used in planning (supporting KPI 13);
- Institutional capacity for decision-making under climatic uncertainty (supporting KPI 13);
- Quality of stakeholder engagement in decision-making to address climate change (supporting KPI 14);
- Awareness of climate change issues, risk and responses (supporting KPI 14);
- Levelised costs of clean energy by technology (supporting KPI 15);
- Dissemination of low carbon development (LCD) knowledge sharing products (published and downloaded) (supporting KPI 15).

**5.7 For all indicator methodology development, refinement and review work, the contractor will need to:**

- Assess climate-relevant indicators developed and used by other organisations (other donors, MDBs etc.) to ensure appropriate lessons and approaches are captured. This should build on and update analysis undertaken already and reviews that have confirmed where there are gaps that require further research and highlighted comparable indicators being used by other partners.
- Investigate how national government partners, focusing on a selection of priority ICF countries,<sup>7</sup> are actively engaged in developing their national planning and poverty monitoring systems to capture climate change interventions and results, and consider how the KPIs and methodologies could be used to help strengthen these national systems to measure the impact of climate finance and development interventions.
- Consider and make recommendations on the use of KPIs (and possibly other indicators) as ‘mainstreaming indicators,’<sup>8</sup> to measure results from development programmes that take account of climate change risks or opportunities. The purpose of these indicators will be to facilitate the mainstreaming of climate finance within development, capturing both the climate specific results and the improved development returns relative to business as usual interventions. They would also help to better define and measure the co-benefits associated with interventions, and the impact on specific groups, including the poor and women and girls. These indicators should focus on the following sectors: food and agriculture, water, energy and urban/cities.
- Identify lessons and draw on the experience of developing core indicators in other sectors (e.g. the Millennium Development Goals (MDGs), HIV/AIDS, the Food Security Learning Framework) and the potential benefits and costs of using a similar model for climate change e.g. in the context of the Green Climate Fund, the post-2015 MDGs, the Sustainable Development Goals, and the Global Partnership for Effective Development Cooperation.

**5.8 For field-testing and data identification / collection the contractor will need to address, through identification of appropriate existing sources and/or undertaking data collection, critical data gaps for reporting against the ICF key performance indicators that are relevant to the local, national and international (e.g. UNFCCC) context. In order to do this, the contractor will need to:**

- Build on existing programme / national level monitoring and evaluation systems to pilot data identification and/or collection for specific KPIs in priority ICF countries, for significant new ICF programmes and/or where on-going work is underway. This will encourage the strongest political support from partner governments and incentives for on-going collection of the information.

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<sup>7</sup> Data about the location of programmes funded through the ICF will be provided to the contractors during the initial stage of the contract.

<sup>8</sup> In this context, ‘mainstreaming’ refers to integration of climate support into programmes that have other primary aims, but can generate climate results and achieve ICF support. Mainstreaming of biodiversity and ecosystem services issues into development & climate funding should also be considered

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The precise number of data identification and/or collection exercises will be defined according to need during the inception phase.

- Ensure that the data identified and/or collected is of appropriate quality and robustness, building on experience of ICF results collection to date, including DFID and DECC quality assurance processes. This should include the triangulation of relevant local, national and international data and will need to recognise the diversity of the ICF portfolio.
- Undertake a data quality assessment for each KPI, following the approach already undertaken by DFID statisticians for KPI 1.<sup>9</sup> This should assess a number of factors, following ONS guidelines,<sup>10</sup> including but not limited to:
  - Relevance
  - Accuracy
  - Timeliness
  - Coherence and comparability
  - Cost and respondent burden
  - Confidentiality, transparency and security.
- Ensure all data identified / produced meets the standards proposed by the 'Global Partnership on Development Data', as put forward by the High Level Panel on the Post-2015 Development Agenda<sup>11</sup>, and identify opportunities to support and feed into this, where possible.

5.9 The final deliverables should include a complete, robust set of usable KPI methodologies, and where relevant supporting indicators and mainstreaming indicators, presented in a format consistent with that being used by the ICF; and a clear assessment of data sources, standards and quality for each KPI, and where relevant for specific KPIs, identification and/or production of data from field-testing.

5.10 This work will include communicating and sharing tools, data and lessons (through appropriate knowledge outputs, workshops, examples of methodology application etc.) to ensure that the indicators, methodologies, data and other activities contribute to learning across the ICF network and other stakeholders, including the FCO's Prosperity Fund Programme Office and relevant overseas posts. Engagement and consultation with a wide range of stakeholders (e.g. HMG, MDBs, other donors, developing country partners, NGOs and think tanks, GCF) and active encouragement of collaboration to share lessons and approaches will also be critical. There should therefore be close alignment between this work and the communication and learning workstream under Output 3, to make full use of opportunities and avoid duplication. This should be built into the learning plan, to be developed during the inception phase.

5.11 The contractor will be responsible for mapping the ICF programme portfolio against the KPIs and implied ICF theory of change (please see output 3) to assess how the ICF portfolio is supporting the achievement of the different KPIs.

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<sup>9</sup> To be provided to the contractor during the inception phase of the contract

<sup>10</sup> See <http://www.ons.gov.uk/ons/guide-method/method-quality/quality/guidelines-for-measuring-statistical-quality/index.html>

<sup>11</sup> See <http://www.un.org/sg/management/beyond2015.shtml>



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The contractor will also be required to map the KPIs against the Theory of Change. This activity should occur in the inception phase of the contract.

**Output 2: Analyse and synthesise complex and varied programme level evaluation evidence and other forms of evidence based on the ICF Theory of Change<sup>12</sup>. This should fill critical data gaps that draw on experiences from across the ICF and more widely about how, where and why (or why not) different climate change programmes are effective and achieve results.**

5.12 The ToR uses the terms ‘synthesis’ and ‘macro evaluations’ in relation to Output 2. The following draft definitions of these terms are used in this section of the ToR. We require the contractor to develop and finalise definitions of these terms for the purpose of this contract during the inception phase:

In the ToR, the term ‘synthesis’ refers to synthesis inspired by realist principles. This involves analysis and synthesis of relevant evidence (not limited to formal evaluations) to make evidence-based policy recommendations. It includes identifying the context of mechanisms and identifying what might work for whom and under which conditions.

‘Macro-evaluation’ was defined by the ICF Evaluability Assessment (2014) “as an evaluation of a large set of programmes using a range of methods. These may include meta-evaluations, evaluation syntheses, specially commissioned evaluations, desk analyses of existing data (not specifically designed for evaluation purposes) and ideally including an element of quality assurance of source data.”<sup>13</sup>

5.13 The overall approach for the ICF fund level evaluation has been informed by an evaluability assessment<sup>14</sup>. This recommended an evaluation approach that is based on the ICF Fund level Theory of Change (ToC)<sup>15</sup> and i) on-going analysis and synthesis of formative and summative ICF programme level data and ii) the use of four macro-evaluations that are focused on four strategic evaluation questions.

5.14 The ICF Fund Theory of Change should be the basis for all data collection and analysis strategies. Evidence from programme level evaluations and other forms of evidence generated at the ICF programme level will need to be collected about events that relate to all levels of the ICF Fund Theory of Change.

5.15 There are a wide range of ICF programme level evaluations that are planned or currently managed by ICF programmes and/or DFID country offices. These individual programme evaluations address formative and summative evaluation questions relevant to those specific programmes and individual programme/ ICF thematic ToCs.

5.16 Results and evaluative data will be available in a variety of forms, locations and will require substantial efforts from the contractors to collate and synthesise into a user-friendly database. Evidence will be available at different times depending on the maturity of the programmes and the evaluations. The methodology used,

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<sup>12</sup> Please see Annex 3

<sup>13</sup> To be provided to the contractor in the inception phase of the contract.

<sup>14</sup> To be provided to the contractor in the inception phase of the contract

<sup>15</sup> To be provided to the contractor during the inception phase of the contract

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Terms of Reference and scope of the evaluations will vary across the different programme evaluations.

- 5.17 It is envisaged that the evaluation component of the contract will be taken forward as two streams of work: a) four 'macro-evaluations', which consider robust formative and summative evaluative evidence from the ICF in relation to the four strategic evaluation questions and b) on-going analysis and synthesis of relevant formative and summative evidence generated by programmes, to produce annual synthesis reports.
- 5.18 The design, data collection and analysis of the macro-evaluations will be based on a macro-evaluation protocol that will be agreed between the contractor, HMG and the independent advisory group in the inception phase of the contract. Both streams of work should support learning through the experience of one cohort of programmes informing the next cohort. The protocol should be used by the contractor to develop plans to answer the revised 4 strategic evaluation questions (see Box 1) and associated formative and summative sub-questions; identify criteria used to evaluate the rigour of evidence; data collection and analysis strategies. The timing for the macro-evaluations will be agreed during the inception phase.
- 5.19 The macro-evaluations will answer the four revised strategic evaluation questions (outlined in Box 1 and presented in further detail in Annex 1), by drawing on robust evaluation evidence and other data from ICF programmes. In addition, robust non-ICF sources of evidence relevant to the strategic questions, such as evaluations carried out by other organisations, systematic and other evidence reviews, academic and "grey" literature, should also be drawn upon. Thematic evaluation is a technique that could be used as part of the macro evaluation approach.
- 5.20 The contractors will be required to review the relevance and appropriateness of the four strategic evaluation questions that are outlined in Box 1 in relation to the ICF Theory of Change. These should include assessment of the strength of the wider evidence base for the ICF Fund level ToCs. These questions were developed through an ICF Evaluability Assessment. This assessment was completed 18 months ago and did not require the contractors to analyse and develop the questions in relation to Fund of thematic ToCs. Consequently, the four questions and sub-questions need to be further revised and aligned to the ICF Theory of Change during the inception phase and include more explanatory components; referring to 'how', 'in what contexts' and 'why'.
- 5.21 The contractors will be responsible for developing a range of exploratory sub-questions based on the revised four strategic evaluation questions and gaps in the existing evidence base. The sub-questions should be underpinned by appropriate theory/ies and are based on the four revised strategic evaluation questions.
- 5.22 Revisions to the strategic evaluation questions and the sub-questions should also be informed by consultations with ICF stakeholders about needs for evidence and analysis of relevant ICF materials.

<p>Box 1: Strategic Evaluation Questions (To be revised by the contractor with reference to the ICF Theory of Change and consultations with key ICF stakeholders)</p>
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- 1) *Transformational Change*: What evidence is there that ICF interventions have led to country, regional and international level transformational change that enables development pathways to be highly adaptive to predicted climate change for vulnerable people, encourages use of low carbon energy, and ensures effective forest governance?
- 2) *Evidence gaps and scale up/out of innovations*: What evidence is there that innovative ICF programmes have provided sufficient knowledge and crafted the appropriate partnerships to enable scaling up (into policy and budget frameworks) and scaling out (to locations within country and beyond) of successful interventions?
- 3) *Efficiency of funding and partnership modalities*: Which funding modalities work best in achieving certain objectives (including disbursement of funds, achievement of results, generation of evidence) and in what contexts?
- 4) *Who Benefits?* Who has benefited directly and indirectly through ICF led investment in programmes, as well as through investment in governance and institutional strengthening inputs? To what extent has this had any long term effect on resilience, economic growth, livelihoods and well-being of the poor? How are direct and indirect benefits and impacts distributed by gender, poverty level and other societal differentials?

5.23 The evidence synthesis will involve on-going mapping, gathering and synthesis of evidence generated by the ICF (programme-level evaluations, research built into programmes and other knowledge outputs), and evaluations of relevant HMG non-ICF programmes.<sup>16</sup> The proposed approach will involve collecting, prioritising and synthesising a large amount of evidence generated during and after implementation of the ICF. The contractor should note that much of the evaluative evidence will only be available once programmes have been delivered, towards the end of the ICF funding period (2015/16).

5.24 The scope and focus of each synthesis report will be defined as far as possible during the inception phase of the contract, but may need to be reviewed annually, depending on availability and quality of evidence and demand. One possible approach is to base the annual synthesis reports on specific components (or sub-questions) of the four strategic evaluation questions. The synthesis reports could then effectively be seen as macro-evaluation 'sub-products'.

5.25 The synthesis reports are expected to use multiple sources of robust evidence and should not be limited to programme evaluations<sup>17</sup>. We anticipate that the reports will analyse common themes across diverse programmes and settings to identify which types of approaches work and why in different contexts.

5.26 The final synthesis report is expected to address all four revised strategic questions and provide an overview of key findings that have been identified in the synthesis reports.

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<sup>16</sup> This may apply to a small number food security, livelihoods and environment programmes which are not funded through the ICF. It also applies to development programmes with a climate change mainstreaming objective.

<sup>17</sup> Based on the approach cited by Ray Pawson and Nick Tilley in 'Realistic Evaluation Bloodlines' *American Journal of Evaluation* 2001 22: 317

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- 5.27 The proposed approach and methodology for both the evidence synthesis and macro evaluations should draw on current best practice and/or robust scientific methods, where possible and appropriate. Clear justification should be given for why the selected approach is proposed. The approaches should support continuous learning, but also provide robust and definitive (as far as possible) evidence to answer the strategic evaluation questions.
- 5.28 Key audiences for evaluation evidence and knowledge have been identified through an initial stakeholder analysis exercise<sup>18</sup> and include both internal (HMG staff working on current and planning future programmes), and external stakeholders such as the Green Climate Fund, other donors and implementing organisations such as multilaterals; national partners and development banks. The initial identification of key stakeholders and an understanding of how best these stakeholders use evidence and learn should be developed during the inception phase of the contract.
- 5.29 The contractor should note that it is anticipated (subject to availability of funding) that an impact evaluation of the ICF will be commissioned and undertaken as a separate exercise in 2017/18. It is expected that information collected through this contract will be used to inform the final impact evaluation.
- 5.30 Specifically, the contractor will undertake the following activities during the contract:
- 1) **Inception phase, report and presentation (first 6 months):** Develop a detailed evaluation protocol and synthesis framework for the evaluation work. This will be developed in collaboration with the HMG management group steering this work and will need to cover the following:
    - Undertake a comprehensive assessment of the availability and quality of evaluations and other sources of data that are available to the contractor
    - Initial mapping of ICF programmes, evaluations and other programme-level evidence against the strategic evaluation questions, to understand the breadth, depth and quality of evidence available to answer them, including when evaluative evidence from programmes will become available. This mapping should refer to the Theory of Change and should build on initial mapping undertaken as part of the Evaluability Assessment;
    - Design the detailed evidence synthesis approach, including identifying, categorising, critically reviewing and analysing evaluative and non-evaluative evidence from ICF projects and programmes, structured around the strategic evaluation questions. The evidence synthesis approach should refer to and be aligned with the ICF Theory of Change. The approach should also clearly set out how evaluative and other evidence should be assessed for inclusion in the synthesis, considering relevance and robustness (it may not be appropriate to include *all* knowledge outputs);
    - Review and revise the strategic evaluation questions and sub-questions with the Theory of Change and revise them to ensure they are relevant, appropriate and answerable, cover summative and formative issues, and show how they relate to appropriate OECD-DAC and DFID evaluation criteria (Relevance, Effectiveness, Efficiency, Impact, Sustainability,

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<sup>18</sup> The initial mapping of key stakeholder groups will be shared with the successful contractor

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Coverage, Coherence and Co-ordination). We do not expect all questions to relate to all criteria and invite the contractor to prioritise and identify relevant criteria for each question.

- Identify and review relevant transferable evidence from other sectors. The scope of this work will be agreed with the HMG management group, and may include areas such as national capacity building, engaging the private sector, gender impacts and achieving transformation.
- Develop the macro-evaluation protocol, including how these will be structured around strategic evaluation questions, inclusion / exclusion criteria, analytical framework, sampling strategy, quality assurance processes.
- Produce agreed structures, formats and timing for the annual evidence synthesis or scheduled macro-evaluation sub-products and macro-evaluation reports and any other knowledge outputs (e.g. practical guidance).

- 2) **On-going mapping and synthesis** of ICF project and programme-level evaluative and relevant non-evaluative evidence, and generation of annual evidence synthesis reports (on-going throughout contract) with reference to the ICF Fund Theory of Change. This will identify, synthesise and critically review formative and summative evidence being produced by ICF programmes, to build up a robust and relevant evidence base over the period of the contract, structured around the four overarching strategic evaluation questions. Such evidence will include programme-level evaluations (outputs from on-going and completed impact and process evaluations) and non-evaluative knowledge outputs (such as monitoring tools and results, annual reviews and research and knowledge outputs from programmes). It will enable key gaps and evidence-generating opportunities to be identified, shared and utilised to the greatest benefit.

The contractor should note that data will need to be analysed in relation to the outputs of over 180 ICF programmes with information about their context. This data will be available in a range of formats and locations. It will require substantial work to collate into a comprehensive and accessible database.

The specific tasks involved are as follows:

- a) Establish and maintain an approach to map ICF programmes and evidence (including evidence quality) against the Theory of Change, revised strategic questions, and identify priorities (with the HMG management group) and evidence gaps for key climate change sectors and regions (and where appropriate, suggest how these gaps could be filled – please see task 4);
- b) Work with HMG team to identify specific criteria for prioritising where new programme or thematic evaluations should be established to address key gaps, to feed into the synthesis;
- c) Produce four annual evidence synthesis reports (from autumn 2015 onwards), focusing on the specific questions and using the approach and format agreed in the inception phase with HMG and the independent advisory group;
- d) Produce other specific tailored knowledge products (such as practical guidance and thematic lessons) events and other innovative ways of sharing knowledge for different audiences and purposes, as identified through assessment of demand from key stakeholders during development of the learning plan in the inception phase .

- 3) **Undertake 4 macro-evaluations** (timing to be agreed during inception phase) that draw on high quality and robust ICF programme-level evaluations, robust

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evaluations of relevant non-ICF programmes, to answer the 4 revised strategic evaluation questions and associated sub-questions. This will include both formative and summative questions. See Annex A for the detailed questions and Annex B for a detailed description of requirements for one macro-evaluation.

The specific tasks involved are as follows:

- a) Develop the detailed macro-evaluation protocol (as part of the inception phase, described above);
  - b) Undertake four macro evaluations, addressing each of the four strategic evaluation questions and related sub-questions, using the approach and format agreed in the inception phase.
- 4) **On-going technical support to strengthen ICF project and programme-level evaluations (as required, throughout the contract)**, to ensure they produce robust and relevant evidence that feeds into the fund level synthesis and macro-evaluations, ensuring these can address the strategic evaluation questions.

This will be demand-led and structured as a call-off element of the contract, but is expected to include the following tasks:

- a) Advise on how best to fill evidence gaps through additional and/or stronger programme evaluations (including type, timing and focus of evaluations);
- b) Assess quality and suitability of evaluation products for inclusion in the macro-evaluation studies through evaluation protocol work;
- c) Support the HMG ICF Monitoring, Evidence and Learning team in identifying, gathering and synthesising information from the ICF portfolio;
- d) Provide specialised technical advice and best practice on robust evaluation approaches, methods to programme evaluation leads.

As part of this work the contractor will *not* be expected to:

- Make decisions about whether to evaluate a programme;
- Carry out final quality assurance of ICF programme evaluation terms of reference (TORs) or products (this is undertaken by DFID's 'SEQAS'<sup>19</sup>);
- Work closely with country offices or other operational teams to advise on setting up or managing programme evaluations;
- Develop TORs for programme evaluations (except for input on specific technical aspects).

5.31 Further details on the precise specifications, timeframes and requirements for the evaluation products will be confirmed in dialogue between the HMG management group and the contractor during the inception phase.

**Output 3: Play a key role in gathering, sharing and dissemination of results, evidence, knowledge and lessons from across the ICF portfolio. This will include international engagement activities; and the use of a knowledge and results platform (which is currently being established through a separate contract). It will also include identifying audiences and developing strategies to increase the uptake and use of learning from the ICF programme to maximise the influence of evidence from the ICF on international climate policies and actions. The contractor will be expected to work very closely with DFID's Climate and Environment Department and DFID country offices to ensure activities are aligned, appropriate and support wider monitoring, evaluation and learning activities.**

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<sup>19</sup> Specialist Evaluation and Quality Assurance Service (SEQAS) is an independent service that provides quality assurance and advice to DFID

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There is a need to promote and facilitate the use and application of robust and relevant tools, results, evidence and knowledge that is generated through Output 1 and 2 of this contract. It is envisaged that better use and application of robust and relevant tools and evidence by the UK Government, other governments, multilaterals and civil society will improve impact and effectiveness of policies and investments.

This area of work will involve the identification of key stakeholders and an assessment of their need and use of evidence, preferred learning styles and levels of engagement with the subject area. There is a growing awareness that provision of papers and written material, although important, is not always sufficient to promote learning and change.

The Contractor will propose innovative ways of learning which are effective in engaging strategically important stakeholders who are working on complex contested issues and have varying levels of time, engagement and interest in climate change.

5.32 All activities that are delivered through Output 3 should support the alignment of international monitoring and evaluation activities and systems; help raise awareness and drive public and political support for assisting developing countries to manage the threats and opportunities from climate change.

5.33 Specifically, the contractor will need to:

- 1) **Develop a dissemination, communication and learning plan** that identifies key stakeholder groups and has appropriate strategies to facilitate the communication of results, evidence and knowledge from the ICF (including that generated and synthesised through Output 1 and 2 of this contract), and promote learning. This should draw on existing channels such as dedicated institutions' websites and databases, communities of practices and networks such as climate-eval, CDKN, and international events such as the GEF climate change evaluation conferences, and UNFCCC, OECD. The plan should recognise that for learning to be internalised and acted upon, the learner needs to be actively engaged in the process not simply the recipient of information. The contractor will be expected to engage stakeholders to maximise learning and internationalisation of information. Techniques should include but go beyond reports and documents. Where appropriate, the contractor should also explore new and innovative ways of learning and engagement such as use and development of scenarios, games and/or films. Dissemination to HMG audiences will need to be undertaken in collaboration with DFID's Climate & Environment Department's wider activities to promote and facilitate a strategic and co-ordinated approach to learning.

The learning plan should be developed during the 6 month inception phase and maintained thereafter. The inception phase should include stakeholder mapping (building on existing internal work<sup>20</sup> to map stakeholders and evidence needs), to identify and understand demand from key stakeholders for tailored knowledge products and learning activities. The plan should include innovative and appropriate initiatives to develop relationships with strategically important stakeholder groups where demand for evidence about climate change programmes is currently low. The stakeholder mapping and assessment of

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<sup>20</sup> This will be provided to the contractor at the start of the inception phase.

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demand for different knowledge products needs to be aligned with planned activities and deliverables from other streams of work through the Monitoring and Evaluation programme. It should also support learning on key issues of importance to the ICF and be able to flexibly respond to the needs and characteristics of key stakeholders.

- 2) **Conduct and produce communication and learning activities and products** including seminars, face-to-face engagement, interactive knowledge outputs and web-based initiatives that are engaging, appropriate, relevant and meet the needs and preferred learning styles of key stakeholder groups. These activities and products should be directed by the communication and learning plan that will be developed in the inception phase. The exact activities and products to be delivered will be agreed with the HMG management group, based on options proposed during the inception phase. Once agreed, the contractor will be expected to engage proactively and play a leading role in key activities with relevant external stakeholders and identify opportunities for sharing lessons and approaches, including:

- Linking in to established networks (e.g. on adaptation M&E);
- Taking a pro-active approach to bring interested parties together to promote and enable coordination on climate change including supporting areas where there is no natural existing international coordination point;
- Supporting learning programmes on key 'knowledge themes' identified during the inception phase;
- Careful consideration of different ways to promote learning will be required, depending on the needs of the audience and the types of products being disseminated, particularly in relation to targeting harder to engage but strategically important groups.

This work may include support to international discussions on indicators, methodologies and joint evaluations; outreach to a range of stakeholders to establish information needs and facilitate knowledge transfer and learning through a co-ordinated programme of meetings and events and other support as identified.

- 3) The contractor will be required to work closely with the ICF secretariat to maintain an up to date Fund level Theory of Change. The Theory of Change should be owned by HMG. It is anticipated that the contractor will work with HMG to revise and update the ToCs based on data collected through the KPI and evaluation streams of work.

This will involve:

- i) Clarifying how each event in the Theory of Change will be tracked through data and evidence that is available. (This work should be aligned to Output 1: the KPI/monitoring stream of activity)
- ii) Identifying key differences in approaches to programme delivery being undertaken by the 180+ ICF programmes. This should be periodically reviewed and used to update accurate descriptions of what the main types of expected outcomes represented in the theory of change are (and sub-divisions within those)
- iii) Mapping all ICF programmes onto all output categories represented in the Fund level and three thematic theories of change



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- 4) The contractor is required to bring together under one programme of work three existing independent technical support and knowledge programmes that are focused on adaptation, low carbon and forestry. The three technical support and knowledge programmes are 'Adaptation Knowledge and Tools Programme', 'Low Carbon Studies' and 'Rapid Response Fund for KNOWFOR'.

The contractor will be expected to manage this new programme of work on behalf of DFID. The three technical support and knowledge programmes provide strategic advice, policy analysis, rapid evidence analysis and feasibility guidance to ICF programme applicants and the GCF. In their present form, the existing three programmes will complete their activities in 2015. They will be brought under one programme of work for the next phase of activity that is focused on synthesising and strategically disseminating learning from all three programmes to key audiences.

Specifically, we require the contractor to

- a) Bring the three technical support and knowledge programmes together under one programme of work managed by the contractor;
- b) Manage the programme of work efficiently and effectively to ensure they meet the requirements and expectations of ICF programme applicants and policy makers;
- c) Use robust methods to identify and synthesise results and key lessons learned from all three programmes.
- d) Develop appropriate learning plans and tailored, accessible and appropriate outputs for key stakeholder audiences. The audiences will include ICF programmes and stakeholders that have been identified through the wider mapping and identification of stakeholders work that will be completed through this programme of work.
- e) Ensure that all evidence synthesis and learning activities complement wider ICF learning and knowledge management strategies, plans and activities that will be delivered through this programme of work.

## 6. Constraints and dependencies

6.1 There will be a number of challenges in delivering this work, some of which are identified below. The contractor should consider and set out how these and any other challenges will be addressed in the delivery of this work:

- The fund level evaluation approach relies on programme level evaluations to provide key evidence, and it is therefore important that the breadth, quality, depth and strength of these evaluations is sufficient and well aligned to higher level questions. Some programme evaluations have already been designed or initiated, meaning there may be limited control or influence over these evaluations. The contractor will consider how they might assess the level of influence possible and build this into proposed mapping of evaluation coverage, and how this may affect how support to programmes should be prioritised, to maximise the meaningful contribution of programme evaluations to the fund level synthesis and macro-evaluation. The quality of programme evaluations, coverage of evaluations and timing of evaluation outputs are varied and will only become evident after the inception phase of the contract. The extent to which different evaluation approaches are complementary is not clear at the present time.

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- There are individual programme level ToCs, thematic ToCs and an overall Fund ToC. The successful contractor will need to analyse and review the different and relevant Theories of Change when to understand the context, contribution and value of different evidence.
- The Evaluability Assessment highlighted the unresolved issue of the appropriate unit of analysis. The Assessment suggests that the unit of analysis for outcomes should be the country level (or sub-national units in larger countries). The contractors will be required to consider and propose appropriate units for analysis at the output and outcome levels
- Many programmes funded by the International Climate Fund have multiple components and extensive subcontracting arrangements. HMG teams may have limited control over programme level monitoring and evaluation frameworks (e.g. for multi-lateral programmes), making data access, collection and quality assurance challenging. The contractor should consider the implications for the fund level evaluation work, and potential ways of overcoming this.
- Data will need to be analysed in relation to the outputs of over 180 programmes that are operating in a range of countries with information about their context. This data will be available in a range of formats and locations. It will require substantial work to collate and synthesise into a comprehensive and accessible database.
- An increasing number of ICF programmes contain embedded knowledge generation and learning components. This brings advantages as high quality material will be generated, however it also puts the onus on the contractor to show flexibility in accommodating existing M&E arrangements, to arrive at an appropriate balance between a bottom up and a top down approach. The contractor should consider how this can be achieved.
- To deliver this work successfully, there will need to be significant interaction and read across between different streams of work – in particular knowledge products from Outputs 1 and 2 and Output 3. Additionally, the contractor should note that some of the KPIs are directly linked to others, for example the KPI 10 (ecosystem services and biodiversity) relies on data collected through KPI 8 (number of hectares where deforestation and degradation avoided). Close collaboration between (potentially) different teams working on different aspects of the overall project will therefore be essential. The contractor should propose ways of ensuring this.
- Additionally, aspects of this work will require collaborative working with internal evaluation and statistics advisors in the cross-Whitehall Monitoring, Evaluation and Learning team (e.g. reviewing and testing KPI methodologies; providing advice to strengthen programme level evaluations; mapping and prioritizing evaluation coverage; dissemination and engagement). The contractor should consider and propose effective, feasible and appropriate ways of working to ensure sharing of knowledge, and avoid duplication of effort or gaps.
- This contract covers a wide range of monitoring, evaluation and learning work for a dynamic fund. As such it is not possible to precisely define all requirements in advance. Hence a flexible approach is required from the

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contractor to ensure responsiveness to changing ICF stakeholder needs. The contractor should consider this and build it into the overall approach.

- The quality of monitoring and evaluation data and processes for collecting and aggregating monitoring data is varied. Through the inception phase of the contract the contractor will gather evidence about the delivery and quality of this data.

6.2 The contractor should also note that the ICF and the programmes that it funds are managed by three UK government departments, and delivered by a range of partner organizations. ICF programmes delivered by each of the three departments largely follow consistent monitoring, evaluation and learning processes, but there may be some departmental differences that the contractor will need to understand and work with.

6.3 Successful delivery of this contract will also depend on integration and alignment with work being delivered under three separate, but associated, contracts, as follows:

- i) DFID has set up a separate agreement with the University of Michigan, School of Natural Resources and Environment, International Forestry Resources and Institutions (IFRI) to support the delivery of a methodology and associated data collection for KPI 3: *Number of forest dependent people with livelihoods benefits protected or improved as a result of ICF support*. Accountability will remain with DFID. However, the contractor, once appointed will hold consultations with IFRI and DFID to agree reporting modalities and any necessary measures required to ensure coherence of KPI 3 with other KPIs and supporting indicators. The contractor will be responsible for technical support for this work including providing DFID with all necessary information to make management decisions relating to the delivery of this component. These arrangements will be mirrored in IFRI's funding documentation.
- ii) DFID will set up an agreement with the World Health Organisation (WHO) / United Nations Development Programme (UNDP) to support the updating of data on the health benefits of clean energy, specifically *the change in deaths and disability-adjusted life year (DALY) of women and children as a result of indoor air pollution from solid fuel use*. This information will be used in support of results tracking against KPI 2. Accountability will remain with DFID. However, the contractor, , will hold consultations with WHO and DFID to agree reporting modalities and any necessary measures required to ensure coherence of KPI 2 with other KPIs and supporting indicators. The contractor will be responsible for technical oversight of this work and providing DFID with all necessary information to make decisions relating to programme delivery. This arrangement will be clearly stated in the WHO funding documentation.
- iii) DFID will contract with an IT supplier to develop an online platform to collect, analyse and share results data and ICF programme metadata. This platform will be managed by DFID. The contractor will be responsible for ensuring that the data and information is available and integrated into the platform. These arrangements will be mirrored in the IT Platform contract.

## 7. Implementation requirements

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- 7.1 The work specified under this contract requires a very wide range of skills and expertise, which needs to be applied in a multi-disciplinary approach. This includes complex evaluation design and delivery (theory-based and synthesis of evaluation evidence); results frameworks and indicator development and data collection; qualitative and quantitative primary data collection and analysis; knowledge and practical engagement in climate change and international development policy, programming and monitoring, evaluation and learning. We require a contractor to provide intellectual leadership, strategic advice and challenge to successfully drive forward this complex programme of work. We also require the contractor to adopt a flexible and responsive approach to this programme of work that is able to critically reflect upon and respond to emerging findings and the changes to the external environment.
- 7.2 The establishment of a consortium for the provision of required services is strongly preferred due to the range of expertise required. It is up to the contractor to organise how this will be delivered but it is anticipated that this may be set up along the following lines, accepting there may be some cross-over of personnel between teams:
- A 'core team' of relevant technical experts and an overall programme manager who will provide strategic oversight, management and direction for the programme of work, ensure individual elements, teams and outputs are fully aligned and integrated, and be responsible for delivering all outputs of the contract to agreed deadlines and quality standards;
  - A small team of experienced and qualified evaluation experts who will be responsible for establishing and maintaining the mapping and synthesis of all relevant evidence from programmes, producing the annual evidence synthesis reports, and designing and conducting the macro-evaluations, following the approach agreed in the inception phase;
  - A small team of experienced and qualified personnel who will be responsible for undertaking indicator development, review, testing, and data assessment, identification and collection, working to individual terms of reference and plans agreed with the HMG management group during the inception phase;
  - A small team of experienced and qualified personnel who will develop the learning plan, and deliver learning products and activities as agreed in the inception phase, ensuring this is fully aligned with the work being delivered under Outputs 1 and 2;
  - A roster of experienced and qualified personnel (under call-down arrangements) who can be employed to provide on-going technical support and advice to strengthen the design and management of ICF programme-level evaluations.
- 7.3 The contractor will need to bring together a range of technical skills, including strengths in:
- Expertise in and ability to see the bigger picture across a wide range of varied and complex evaluation data and information from a variety of sources, rather than focus on specific details
  - Expertise and experience in synthesizing of complex and varied evaluative evidence, to high quality methodological standards;
  - Management of complex projects;

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- Expertise and experience in advising on, designing, managing and leading theory-based evaluations;
- Constructively engaging and working with a wide range of stakeholders with different interests and levels of expertise
- Expertise and experience of designing and applying performance monitoring and results frameworks (including expertise and experience in indicator development, testing and data collection / analysis);
- Knowledge and demonstrated practical engagement in a broad range of climate change sector areas (policy, practice and programming);
- Knowledge and demonstrated practical engagement in international development assistance for poverty reduction (policy, practice and programming);
- Expertise and experience in developing and delivering communication, dissemination and promotion of learning with a wide range of stakeholders (donors, developing country government, civil society) through appropriate channels and tailored products (workshops, web-based activities, accessible and engaging reports, practical guidance etc), and achieving meaningful uptake and use of evidence;
- Skills and experience in understanding and using different approaches to learning which are applicable to complex and complicated issues (such as climate change and development) for which there are varied levels of engagement;
- Demonstrated understanding of how different audiences learn, reframe, change and improve, and experience of applying this to develop and deliver effective learning strategies which ensure that knowledge and learning lead to transformation, change and improvement;
- Knowledge and experience of working with HMG departments (particularly DFID, DECC and DEFRA), developing country governments; other donors / international organisations, civil society, etc;
- Experience of successfully designing and undertaking monitoring and evaluation in developing countries, including regional and multi-country programmes.

It is expected the contractor will have the skills required to produce work that will meet the standards of the Government Statistical Service (GSS) <https://gss.civilservice.gov.uk/> , the Government Social Research Service (GSR) <http://www.civilservice.gov.uk/networks/gsr> as well as DAC <http://www.oecd.org/development/evaluation/qualitystandards.pdf> and DFID's standards [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/204119/DFID-Evaluation-Policy-2013.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/204119/DFID-Evaluation-Policy-2013.pdf)

7.4 The contractor will also need to be able to access and have specialist technical knowledge in the use and application of satellite mapping technologies in relation to envisaged work on the ecosystems services KPI.

7.5 In addition, the contractor will need to demonstrate strengths in:

- Financial management;
- Flexibility to respond to changing needs and demands;
- Relationship management (including with HMG, other stakeholders and the suppliers of other related services (e.g. IFRI, WHO/UNDP – see para 5.3);
- General administration, programme and financial management;

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- Information management.

7.6 In undertaking the duties, the contractor will be responsible for:

- Ensuring macro evaluations and evidence syntheses are undertaken by suitably qualified personnel, to meet international standards for development evaluation, including the OECD DAC standards;
- Maintaining ethical standards in evaluations and results data collection;

## 8. Reporting

8.1 The contractor will report at three levels, in addition to producing the specified deliverables outlined in the Terms of Reference:

- i) Monthly management reports for the cross-Whitehall management group detailing day to day programme delivery progress, financial forecasting and issues requiring management team reporting;
- ii) Six monthly reports focused on programme delivery/outputs for the ICF Sub-committee / Board;
- iii) Annual reports timed to inform DFID's annual review process, with a focus on overall progress against agreed outcomes and impacts.

## 9. Risk assessment

9.1 The contractor should set out an assessment of the main risks and obstacles to the successful completion of the project (including availability of staff/expertise) and to outline the mitigation strategies they will take to address these risks. During the project, the lead organisation will be expected to create and maintain a risk register for the project.

## 10. Logistics and procedures

10.1 The Contractor will be responsible for their logistical arrangements including in-country transport, office space, translation and other logistical support. The Contractor will also be required to cover the duty of care (see below for more details) for all members of the evaluation team. All relevant expenses should be covered by the evaluation contract budget.

10.2 The Contractor will be provided with the information detailed under 'existing information sources'. DFID will facilitate contacts for the Contractor with other stakeholders and provide support where appropriate.

## 11. Duty of Care (DoC)

11.1 The Contractor is responsible for the safety and well-being of their Personnel 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 will share available information with the Contractor on security status and developments in-country where appropriate. DFID will provide the following:
- A copy of the DFID visitor notes (and a further copy each time these are updated), which the Contractor may use to brief their Personnel on arrival.

11.2 The Contractor is responsible for ensuring appropriate safety and security briefings for all of their Personnel working under this Contract and ensuring that

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their Personnel register and receive briefing as outlined above. Travel advice is also available on the FCO website and the Contractor must ensure they (and their Personnel) are up to date with the latest position.

11.3 Tenderers must develop their Tender on the basis of being fully responsible for Duty of Care in line with the details provided above. They must confirm in their Tender that:

- They fully accept responsibility for Security and Duty of Care.
- They understand the potential risks and have the knowledge and experience to develop an effective risk plan.
- They have the capability to manage their Duty of Care responsibilities throughout the life of the contract.

11.4 Acceptance of responsibility must be supported with evidence of capability (no more than 2) A4 pages and DFID reserves the right to clarify any aspect of this evidence. In providing evidence, the contractor 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)?
- 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?

11.5 Further information on Duty of Care is provided in the Supplier Instructions

## 12. Deliverables and Time frame

12.1 The contract is expected to start in August 2015 and will be for four years, with the possibility of an extension of up to two years depending on the requirements of DFID and contractor performance.

12.2 All Monitoring, Evaluation and Learning deliverables, including Terms of Reference for specific evaluation activities, the inception report and all annual reports, will subject to quality assurance by the external advisory panel (see section 13.4) and DFID's Independent Quality Assurance (SEQAS<sup>21</sup>). All outputs are expected to meet DFID and DAC quality standards for evaluation. Expected deliverables are set out below:

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<sup>21</sup> Specialist Evaluation and Quality Assurance Service (SEQAS) is an independent service that provides quality assurance and advice to DFID

### 1) Inception Phase

The Inception Phase is expected to run for the first 6 months of the evaluation contract. During the inception phase the contractor will be expected to work closely with the HMG management team. At the end of the inception phase, the Contractor will produce an Inception Phase Report that sets out:

#### Output 1:

- Initial review of draft / completed KPIs, and any recommendations for strengthening methodologies, guidance and data sources;
- Approach and detailed workplan (including prioritisation) for developing and testing methodologies, including detailed plan of exactly what is required for each KPI;
- Approach and detailed workplan for field testing relevant KPIs, including country selection, identifying relevant existing data sources, and any additional primary data collection;
- Review available methodologies, data and analytical tools sources and preparation of options for assessing the value of ecosystems services including and biodiversity benefits from ICF programme (KPI 10):
- Assessment of the probable quality and credibility of the identified datasets and sources and implications for primary data collection;
- Detailed timing of when each of the KPI methodologies, tools, guidance and data will be finalised and feed into the learning plan.
- Mapping the ICF programme portfolio against the KPIs and implied Theory of Change to assess how the ICF portfolio is supporting the achievement of the different KPIs.

#### Output 2:

- An initial mapping of programmes and programme level evaluation coverage and outputs against the revised strategic questions, with clear plan of how this will be maintained and used;
- Explore the data needs and identify the support that is feasible, realistic and required from HMG to ensure meaningful project level evaluation data is obtained throughout the contract.
- A detailed approach, methodology and report template for the annual evidence synthesis reports, and a schedule of when these will be delivered and what each will cover;
- A detailed approach to how evaluative information will be synthesised and analysed;
- A confirmed revised set of strategic evaluation questions and sub-questions, and plan of how they will be addressed through different studies / reports;
- The macro-evaluation framework, methodology and protocol, setting out how evidence will be identified and used to address the strategic evaluation questions;
- Proposed timing for the macro-evaluations, with consideration of when ICF and wider relevant evaluation evidence will be available, and when the findings will be most useful to feed into the learning strategy;



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- A review of the main risks and challenges for the evaluation and how these will be managed;
- Detailed plan for how any conflicts of interest between programme level and fund level evaluations will be managed;
- Detailed evaluation work plan and costing for the remaining contract

#### **Output 3:**

- A detailed learning plan, setting out key audiences mapped against demand for specific learning and knowledge outputs (including from Outputs 1 and 2 of this contract). The plan should identify why these are relevant to the different audiences, and proposed approaches, methods and activities that will be used to reach them and encourage learning.
- Full description, including possible timing and unit costs for delivering each of the proposed approaches, methods and activities throughout the contract. This should be well aligned with an initial assessment of when evidence and knowledge products from Output 1 and 2 of this contract will be available.
- Working with the ICF Secretariat to clarify how each event in the Theory of Change is aligned to the KPIs

A draft version of the inception report should be submitted in month 4. A final version incorporating stakeholder feedback should be delivered by the end of month 6.

#### **2) Tested KPIs and methodologies, with associated data collection**

- A complete, robust set of usable KPI methodologies and supporting guidance for use, with supporting and mainstreaming indicators where relevant, presented in a format consistent with that being used by the ICF;
- A clear assessment of data sources, standards and quality for each KPI;
- For specified KPIs, identification and/or production of relevant data from field-testing with pilot ICF programmes and countries;
- A report of findings and learning from field testing KPIs;
- Appropriate and accessible knowledge outputs, including interactive tools, data and guidance, to contribute to wider learning.

#### **3) Annual evidence synthesis reports (or macro-evaluation sub-products)**

These should be produced annually, following the approach and format agreed in the inception phase. It is anticipated that 4 annual reports will be delivered.

#### **4) Macro-evaluation reports**

It is anticipated that 4 macro-evaluations will be undertaken during this contract. These should follow the approach, methods and timing set out in the inception report. Any changes to approach or timing should be agreed with the HMG management group.

#### **5) Dissemination and learning activities and outputs**

These should be undertaken and delivered according to the learning plan, as set out in the inception report. The learning plan should be updated and maintained throughout the contract, with regular updates provided and any changes agreed with the HMG management group.

#### **6) Raw Data**

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All raw data collected as part of the KPI development / testing and evaluations should be provided, aggregated and anonymised where appropriate. Qualitative transcripts and thematic frameworks should be made available to HMG upon request.

The contractor is expected to develop plans to facilitate the use and public availability of robust and relevant tools, results, evidence and knowledge generated through this contract. Key stakeholders are the UK Government, other governments, multilaterals and civil society.

12.3 Because of the evolving nature of the work required the contract will be based on a number of phases with specific activities detailed in each phase. The first phase of the contract will be a six month inception phase. Continuation into the full implementation phase will be dependent on satisfactory performance during inception and a satisfactory inception report.

12.4 Subsequent phases will be for 12 months with clear milestones agreed against which progress and payments will be agreed.

### 13. Co-ordination and oversight

13.1 **Overall responsibility for contractual relations** will reside with the Evaluation Adviser in DFID's Climate and Environment Department (CED), with support from DECC's ICF monitoring and evaluation lead and the Defra ICF team.

13.2 Day-to-day management of the contract and contact will be with DFID's Climate and Environment Department Evaluation Advisor. The chair of the ICF subcommittee will be the Senior Responsible Owner for the contract.

13.3 A **cross-Whitehall HMG management group** will be responsible for general oversight of all activities delivered through this contract. The group will be chaired by CED's Evaluation Adviser and include representatives from DFID (including CED and Evaluation Department), DECC (ICF team) and Defra, who are responsible for different aspects of work to be delivered through the contract (i.e. KPI development, evaluations, learning). The management group will meet on a monthly basis with the contractor during the initial phase of the project to discuss progress, feedback views and discuss and agree any changes required to the workplan. After the initial phase of the project is complete it is anticipated that meetings will be held on a quarterly basis. The cross-Whitehall group will also be responsible for regularly feeding back views from the ICF subcommittee; a cross-government group that includes senior managers from DECC, DFID and Defra.

13.4 An **independent external advisory panel** for the contract will also be established. This will include external monitoring, evaluation and learning experts. It is envisaged that the group will work collaboratively with the contractor and HMG. The contractor will be required to attend and present at advisory group meeting (anticipated to be three times per year) and work in a positive and constructive manner with members of the group.

13.5 The key responsibilities of the group will be to:

- i) Work collaboratively and constructively with the contractor, DFID, DECC and Defra to help ensure that the design of plans, delivery of activities and all outputs are relevant, timely, robust and appropriate.

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- ii) Provide timely, relevant and independent advice about the feasibility, quality, relevance, rigour and appropriateness of methodologies and outputs, including proposed KPI methodologies, macro-evaluations and evidence communication strategies.

The specific involvement and scope of activities of members of the group will be determined as the Monitoring, Evaluation and Learning contract and DFID's Climate and Environment Department's monitoring, evaluation and learning activities progress.

13.6 Specific activities are likely to include:

- i) Review and provide constructive feedback and advice on Key Performance Indicator (KPI) methodologies and data collection strategies
- ii) Review and provide constructive feedback and advice on the proposed approach to the work and its suitability in the Inception phase of the contract
- iii) Review and provide constructive feedback and advice about the quality, feasibility and appropriateness of Terms of Reference for macro-evaluations, data collection methods and analysis plans for each of the main evaluation questions to be applied in the main stage of the evaluation
- iv) Critically appraise the inception report and other macro-evaluation, evidence synthesis reports and KPI methodologies in accordance with standards agreed at the inception phase of the contract. international standards
- v) Reviewing and providing constructive feedback about the development of evidence communication strategies
- vi) Help to problem solve complex aspects of the commissioning, management, methodology and use of the results, evidence and knowledge work, as required.

Advice from the external advisory panel will be used by the management group to make decisions such as whether to accept evaluation products and agree changes to the workplan.

## 15. Other requirements

### Security

15.1 The contractor will be responsible for ensuring that the data and information generated during the implementation of the contract is held securely. The contractor must seek approval from the contract manager before making any information publicly available.

### Standards

15.2 The Contractor is responsible for ensuring full compliance with all relevant EU/UK standards and regulations. This includes strict adherence to UK anti-corruption law.

### Performance requirements

15.3 The contractor is responsible for the delivery of all outputs to the required quality, as set out in the agreed work-plans for each phase of the contract. The contractor is also responsible for notifying the management team of any constraints

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to delivery and recommending options to overcome them. In addition the contractor is also responsible for recommending improvements to the programme to maximize the impact and value for money obtained under the contract

## Annex A

## ICF Strategic Evaluation Questions

**[To be reviewed and revised by the contractor based on further analysis of the Theory of Change and consultations with key stakeholders]**

In preparation for these terms of reference, the ICF Monitoring, Evaluation and Learning (MEL) team commissioned an evaluability assessment to inform the design of macro-evaluations. The assessment examined the feasibility in principle and in practice of undertaking macro-evaluations by carrying out an evaluation mapping exercise across the ICF, refining the proposed evaluation questions and undertaking a preliminary assessment of data availability, gaps are and how these can best be filled. The full report is included as a supporting document.

The ICF is a large and highly diverse portfolio which provides a rich test-bed for generation of evidence. To narrow down the options, the ICF MEL team selected fourteen initial evaluation questions in consultation with policy colleagues. These reflect the evidence gaps and policy areas where evidence will be most needed to inform decisions around future climate spend.

The evaluability assessment recommended clustering the proposed evaluation questions into four overarching strategic evaluation questions. These form a framework for the evidence synthesis work and the macro-evaluations. The questions are set out in full on page 80 of the evaluability assessment.

Evaluation topic area	Question	Sub-questions
<p><i>SEQ A<sup>22</sup> Transformational Change at the country/regional and international level including political economy, institutional and capacity issues</i></p> <p>Note: This question cuts across all outcomes and outputs in the ICF theory of change. It is envisaged that this will be a qualitative assessment based on analysis of a range of quantitative and qualitative evidence. Insightful qualitative analysis of context, delivery and results will be required for this question to be addressed successfully. The transformation change indicator (please see annex 6) may be useful in interpreting what is meant by transformational change.</p>	<p>What evidence is there that ICF interventions have led to country, regional and international level transformational change that enables development pathways to be highly adaptive to predicted climate change for vulnerable people, encourages use of low carbon energy, and ensures effective forest governance?</p>	<ul style="list-style-type: none"> <li>- EQ2: Innovation</li> <li>- EQ9: Decentralisation</li> <li>- EQ12: Private Finance</li> </ul>
<p><i>SEQ B Evidence gaps and scale up/out of innovations</i></p>	<p>What evidence is there that innovative ICF programmes</p>	<p>EQ1: influence</p>

<sup>22</sup> To avoid confusion between the 4 overarching strategic evaluation questions and the 14 strategic evaluations questions, the former have been relabeled A-D.

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Evaluation topic area	Question	Sub-questions
<p>This is closely related to the “demonstration” objective of the ICF which seeks to change facts on the ground, demonstrating that low carbon, climate resilient development is feasible and desirable.</p> <p>Note: There is some overlap with question A but this focuses on mechanisms through which policy/programme level scale up takes place</p>	<p>have provided sufficient knowledge and crafted the appropriate partnerships to enable scaling up (into policy and budget frameworks) and scaling out (to locations within country and beyond) of successful interventions? What has enabled/hindered successful innovations to be taken forward (including national scale up, leverage of finance etc.)?</p>	<ul style="list-style-type: none"> <li>- EQ3: national and regional planning</li> <li>- EQ11: energy efficiency</li> <li>- EQ13: environment improvement</li> <li>- EQ14: Drivers of forest change</li> </ul>
<p><i>SEQ C Who benefits?</i></p> <p>Note: All international Climate Fund programmes are required to fulfil ODA criteria as part of the ICF’s mission of “Supporting international poverty reduction by helping developing countries adapt to climate change, take up low carbon growth, and reduce deforestation”.</p>	<p>Who has benefited directly and indirectly through ICF led investment in programmes, as well as through investment in governance and institutional strengthening inputs? To what extent has this had any long term effect on resilience, economic growth, livelihoods and well-being of the poor? How are direct and indirect benefits and impacts distributed by gender, poverty level and other societal differentials?</p>	<ul style="list-style-type: none"> <li>- EQ5: targeting</li> <li>- EQs7 and 9: relating to resilience</li> <li>- EQ10: equitable access</li> <li>- EQ14: social impact (forestry)</li> </ul>
<p><i>SEQ D Efficiency of funding and partnership modalities</i></p> <p>Note: This relates to the “architecture” objective of the ICF which seeks to improve the international climate architecture and finance system to increase the scale, efficiency and value for money of climate spend.</p>	<p>Which funding modalities work best in achieving certain objectives (including disbursement of funds, achievement of results, generation of evidence) and in what contexts?</p>	<ul style="list-style-type: none"> <li>- EQ4: Co-benefits</li> <li>- EQ6: Delivery Channels</li> </ul>

The contractor should review and refine the evaluation questions during the inception phase to ensure they are relevant to the Theory of Change and focused on the most relevant evidence gaps in view of the wider evidence base. This will require reviewing the Theory of Change, consulting with key ICF stakeholders and a light-touch review of published and grey literature. The contractor should also advise on the extent to which the questions are answerable following assessment of available and expected information and consideration of what further data may need to be commissioned. As the four evaluation questions are cross-cutting, there is some inevitable overlap and duplication which will need to be taken into account.

#### Theory of change and evaluation questions

The ICF overarching theory of change and sector theories of change for low carbon development, climate change adaptation and forestry, provide a basis from which to verify which key hypotheses. The main theory of change was updated in June 2014. In conjunction with this, further work has been done around defining transformational

### Section 3

change for the ICF. The evaluation questions should seek to test these hypotheses to generate useful knowledge and evidence for use by HMG partners and the wider international development community.

#### Considerations for developing macro-evaluation work

There is a wealth of learning from legacy programmes which can be used in the planned synthesis work. The ICF evaluability assessment suggested a separate macro-evaluation for legacy programmes. The feasibility and merit of completing this piece of work, or alternative ways of organising learning from legacy programmes should be considered by the contractor, given the availability of robust evaluation data.

The macro-evaluation work should include the ICF forestry portfolio. This work may include analysis of how ICF contributions have enabled the sustainable management and productive uses of forests in terms of their environmental, economic and societal values. This may include some measurements such as areas of forests managed through certification schemes; economic contribution of forestry projects through the value of products or from benefits like ecotourism.

The Evaluability Assessment also recommended two additional “thematic” evaluations in the areas of capacity development, institutional governance and transformational change; and private sector development. The ICF MEL team agrees that these are important areas of focus. It may be possible for these thematic areas to be included within the existing plans for macro-evaluations or synthesis reports rather than treated as separate evaluations; however the contractor are invited to consider different ways in which this work could be organised. Furthermore, if macro evaluation in other climate relevant areas is missing, the contractor is welcome to suggest new topics.

#### Note on data quality

Evaluation data from the evaluability assessment should be treated with caution as this was collected in September 2013. Substantial progress in getting evaluations off the ground has since been made over the last year.. Data about the evaluations can be obtained from DFID’s ARIES system, the main tracking mechanisms for evaluations in DFID, and equivalent lists from DECC and DEFRA. Conversations with contacts in country offices and other operational departments have been the main source of detailed evaluation information on approaches and questions.

The Contractor should also note that figures in the evaluability assessment on numbers of evaluations include a wide range of evaluation, review and learning products. While these are all potentially valuable sources of information, only around half of the 96 planned evaluations listed in the evaluability assessment are classified as “evaluations” according to the robustness, independence and transparency criteria set out in [DFID's Evaluation Policy 2013](#). The MEL team will make every effort to support the consultants in providing access to up to date information about programme level evaluations so that accurate mapping can be undertaken.

#### DAC evaluation criteria

The full list of evaluation questions mapped has been mapped against the OECD DAC evaluation criteria and is listed in the evaluability assessment. This is intended to provide a framework which the contractor can adapt as part of their proposals. The contractor is encouraged to draw on the full range of DAC evaluation criteria, although not every criteria will be relevant to every question.

- Relevance

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- Effectiveness
- Efficiency
- Impact
- Sustainability
- Coverage – includes equity, differential impacts, inclusion/exclusion
- Coherence: with other related parties.

The contractor will be expected to review the relevance of the OECD-DAC criteria for each agreed evaluation question and agree if and how the criteria will be addressed and prioritised, in consultation with both HMG and the independent advisory group.



### Annex B

#### Terms of reference – Macro evaluation for Strategic Evaluation Question D

##### Introduction

These terms of reference supplement the main terms of reference with more detailed requirements for one of the four proposed macro-evaluations. This macro-evaluation will seek to answer strategic evaluation question D:

*Efficiency of funding and partnerships modalities: Which funding modalities work best in achieving certain objectives (including disbursement of funds, achievement of results, generation of evidence) and in what contexts?*

An evaluation approach and design for one macro evaluation will need to be submitted as part of the contractors' proposals for the contract. The remaining macro evaluations will be developed to this model during the inception period.

##### Focus of the Strategic Evaluation Question D

The evaluability assessment recommended that the following topics be considered:

- Exploration of whether the range of ICF funding modalities are efficient for the disbursement of funds, achievement of results, generation of evidence and in what contexts. Specific issues would include:
  - Are ICF transaction costs appropriate and do they help/hinder engagement with key stakeholders, including the private sector?
  - When is it appropriate to put money in the CIFs and when to develop bilateral projects?
  - Is the scale of funding from the ICF targeted sufficiently to be catalytic or is it really “more of the same”?
- How are ICF risk profiles operated? Is there sufficient understanding of risk, including the risk of failure in the political sphere?
- Are the fund management procedures effective / efficient?
- When working with partners is the time spent setting up agreed modalities, which may reduce disbursement in the short term, lead over time to an efficient process and results?
- What are the overheads for management and the levels of fiduciary risk?

Instead, we are interested in going beyond the accountability agenda to addressing the broader questions on delivery modalities from which generalizable lessons for new climate funds can be drawn. For example, the Green Climate Fund will play a key role in channelling financial resources to developing countries and will catalyse climate finance, both public and private, at the international and national levels. The emphasis to date in climate finance has been on quick delivery and scale up, and more evidence is needed to inform the most effective long-term funding strategies. We would welcome proposals which identify the most relevant evaluation questions on delivery of climate finance, based on existing evidence and expected demand from key stakeholders. The following sections introduce some key topics which could be explored through the macro-evaluation.

##### Working with governments

UNFCCC has had to scale up rapidly and climate finance still tends to be dominated by projects. In working with partner governments, many governments have not yet

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costed climate change strategies and we don't always know what effective climate action is. The development effectiveness literature suggests that other modalities can be more effective and there is a challenge around how to best align behind government plans and align with other donors to achieve transformational change at scale. Furthermore, governments will increasingly look for direct access to facilities such as the Global Climate Fund. Choices of modality may include projects, national climate funds virtual climate funds, topped-up sectoral financial assistance, climate change policy or results based support. The degree of flexibility as opposed to "earmarked funds" will vary across different modalities.

#### Working with multilaterals

Around 50% of the ICF budget is funding to multilaterals. In some cases, the ICF provides direct support to multilaterals. For example, around 40% of the UK's core GEF5 contribution was scored as ICF contributions. The GEF provides grants to developing countries for projects related to issues such as biodiversity, climate change and land degradation. The Climate Investment Funds make up around 15% of the total ICF budget. They include four key programmes that help 48 developing countries pilot low-emissions and climate resilient development. The draft evaluation of the CIFs has now been published and may be a source of further lines of enquiry around questions of multilateral effectiveness in climate finance.

The ICF also funds discrete programmes such as The World Bank's Wealth Accounting and Ecosystem Services (WAVES) programme which helps countries incorporate the value of natural capital in national accounts. In some cases, the ICF utilises the Multilateral Development Banks as delivery agents of a number of its programmes, where there are a small number of donors. For example the Carbon Market Finance programme (£49m) is being financed by the ICF, Swedish Government and Swiss-cent foundation and is being delivered by the World Bank given their relative expertise in this area. DFID's Multilateral Aid Review provides an assessment of the performance of different multilaterals. However, little is known about the broader questions of multilateral effectiveness in delivering climate finance.

#### New funding modalities

ICF programmes have an explicit sectoral approach (e.g. low carbon energy, sustainable timber trade). In challenging resources, they go beyond the traditional development assistance modalities. For example, in low carbon development they test out ways to address a particular market failure, which are not restricted to one country or region (e.g. Results Based Financing, Green Mini-grids); test out new ways of working with partners and leveraging significant public and private resources (e.g. CP3, GETFit, Green Africa Power); and contribute to innovation and enterprise development (e.g. Climate Innovation Centres, Flexible Fund, RED prizes and challenge funds). These are different ways to deliver global benefits and promote more sustainable patterns of economic growth than have previously been used.

#### Mainstreaming of climate finance into development

There is an increasing shift on focusing investments on sectors offering the most potential to respond to climate impacts: energy, cities, food and agriculture, and water; and improving the resilience of investments in all sectors and forests. In planning for future climate architecture, more evidence is needed about how to effectively integrate climate considerations into mainstream development sectors. The ICF teams are also looking mainstreaming climate change into EU development assistance and Multilateral Development Bank (MDB) lending. This raises questions about whether we should shift greater investments to focus on the "frontline sectors" of food and agriculture, water, energy, and cities, and what is the most effective way

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to do this. Mainstreaming can be undertaken in a wide range of contexts and there is a need for evidence to understand what constitutes effective investment in different economic, political and geographical environments.

#### Value for money

The International Climate Fund (ICF) uses VFM considerations at a strategic level in relation to the allocation of resources and at a project level to improve design and maximise outcomes. At a strategic level, VFM may be used to support allocation approaches. For example, VFM may inform the balance between capacity building and project investment, or the allocation of resources between countries or sectors on the basis of vulnerability. VFM may be viewed from an operational angle, such as the potential speed of disbursement, absorption capacity of different beneficiaries and delivery channels, and scaling up/leverage potential.

At an implementation level, VFM can drive effective project design through the identification of early VFM adaptation options, the identification of co-benefits (mitigation or poverty reduction), and innovation potential. Value for money analysis should be built into the macro-evaluation to identify which delivery modalities offer best value for money overall, given the relative pros and cons of using different delivery channels in different contexts. A narrow interpretation of VFM has limited value in assessing VFM of climate change interventions and the work should there seek to answer the high level VFM questions rather than focus on project level issues.

#### **Developing an approach for macro-evaluation**

The final evaluation questions will need to realistically reflect what evidence will become available within a three/four-year period. The consultant will need to decide which programmes/projects are relevant in designing a sampling framework for the macro-evaluation.

The contractor will submit an approach for the macro evaluation which includes the following:

- Plans to undertake the literature review required to update the evidence base;
- Consultation and stakeholder mapping work to ensure macro evaluation will provide relevant information for the ICF, and more broadly for future investment in international climate change programmes;
- Evaluation questions for efficiency of funding and partnership models and additional questions to be explored, appreciating that full revision will not be possible until the inception phase;
- Details of the overall approach to be employed including analytical frameworks;
- Approach to sampling and inclusion of scheduled evaluations of programmes, including timing, mechanisms to avoid bias and criteria for assessing robustness and relevance of data;
- Assessment of strengths/weaknesses of proposed methods for collection, extraction, analysis and synthesis;
- Minimum numbers and types of evaluations to generate the level of coverage required to undertake the macro-evaluation;
- Types of reports to be produced as a result of the approach;
- Approach to developing a communications strategy.

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The proposal should also include information on different expertise of the team members implementing the evaluation and how their skills will be employed, and detailed costings.

The trade-off between quality and quantity of information, with legacy programmes providing a greater source of learning material due to accumulation over time. New programmes are likely to have robust evaluations built in yet many of these are only just being commissioned, meaning that concrete findings will only become available in 2-3 years' time. This has implications in particular for the macro-evaluations which will rely on robust evaluation evidence. Contractors will need to consider the option of collecting additional data, setting out rationale, costing and practicalities of this. Evidence from a limited number of non-ICF evaluations conducted by HMG, and evaluations undertaken by international agencies, will also be an important source of material for the macro-evaluations.

## Annex C

### 1 Introduction

The TEEB study (2009)<sup>23</sup> presented estimates that we lose ecosystem services with a capital value of \$2tr-\$4.5tr each year as a result of deforestation alone. As the benefits of the natural environment tend to be delivered for free, they are often neglected in decisions, especially where the parties who benefit from the environmental services are not those who benefit from the action which removes them e.g. deforestation by non-local companies – they will take the benefit from the sale of timber and future use of the land, but do not compensate populations living locally for reduced access to products from the forest, or increased flood risk.

The TEEB study also highlights the role of forests in the income of rural poor, suggesting that (based on analysis across India, Indonesia and Brazil) between 47% and 89% of the effective income of the rural poor is delivered for free by nature, implying significant real losses are likely for such groups when deforestation occurs without work on alternative livelihoods. Valuing (non-carbon) ecosystem services, reveals the more local benefits of forest protection, and therefore is a more relevant to the impact of the ICF on people within the countries where money is spent.

This specification is part of the MEL project from the International Climate Fund. It is one of the deliverables under **Output 1** and is to specifically develop methodology, pilot-test, data collection and reporting for KPI 10 Value of ecosystems and generated or protected as a result of ICF support including biodiversity benefits.

The vision for this indicator is to provide a high-level assessment of the value of the ecosystem services (monetary and non-monetary) generated or protected through ICF projects including biodiversity benefits (forestry projects).

The results are expected to be a high level assessment of the overall impact of ICF interventions, but which remain scientifically robust and credible.

### 2 Guidance on indicator development

The requirements below are indicative of what is expected and are not intended to be prescriptive. Other, innovative ideas and alternative approaches are also welcome.

Proposals must include detailed methodology and guidance for assessing the value of selected ecosystem services generated or protected by ICF investments with a specific readout on biodiversity for forests projects. This could be developed based on the measurement and location of hectares of forest/habitat protected or restored and may include as inputs data already generated for other KPIs. This would be combined with other data and information exogenously collected and manipulated where necessary (including, for example, information on forest degradation and fragmentation and areas of high biodiversity value forest). The methods used should be, as far as possible be quantitative and comparable between projects, ecosystem types and countries, and over time to assess the results of ICF support. The methods should also make use of available data, indicators and assessment tools used within country and aligned with international programmes and initiatives (for example, the Group on Earth Observations Biodiversity Observation Network (GEO-

<sup>23</sup> <http://www.teebweb.org/about/>

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BON), the Global Biodiversity Information Facility (GBIF), the global Biodiversity Indicator Partnership (BIP) and the Global Forest Resources Assessment (FRA)<sup>24</sup>.

Both monetary and non-monetary assessment of value should be considered.

The proposed methods should include an evaluation of data quality issues, data limitations and gaps, ground truthing, sources and estimation of error, analysis of trends and change detection and uncertainty in the interpretation of the results. Data may also be supplemented by programme managers' estimates of area of forest where deforestation and degradation have been avoided and afforestation has taken place as a result of the intervention, together with a sample based on independent verification.

The broad methodology<sup>25</sup> below identifies the steps which would need to be taken to build a "model" to transform hectare data into values of ecosystem services, recognising that this is a high-level approach that would be suitable at a more aggregate level.

- (a) Review, collate and map studies (non-carbon) valuing ecosystem services generated by tropical forests (and other habitat types if to be used to value the wider benefits of ecosystems based approach to adaptation as well), as well as studies valuing the ecosystem services generated by the likely alternative land use without the ICF to ensure additional benefits are captured.
- (b) Review, collate and map data which is theoretically likely to determine the level and value of (non-carbon) ecosystem services generated by areas of forest / habitat / alternative land-uses – e.g. surrounding land-use, proximity / density of human population / infrastructure, relative wealth of population, habitat quality.
- (c) Using econometric methods develop a "value transfer function" which can be used to assess the value of different areas of forest / habitat based on the values identified in the current literature and the location and number of hectare of forest protected (combined with mapped explanatory variables).
- (d) Using estimated of hectares of forest / other habitat protected / restored generated for other KPIs (and attribution approach within this) extrapolate the expected value of additional non-carbon ecosystem services protected as a result of ICF interventions.

### 3 Cross Cutting Issues

It is intended that a methodology will be developed which will utilise data generated through other KPI's and readily available sources. The contractor should note when undertaking this work that there are direct links to KPIs, for example this KPI 10 (ecosystem services ) may include data collected through KPI 8 (number of hectares where deforestation and degradation avoided) and KPI 3 (Number of forest

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<sup>24</sup> See <http://www.fao.org/forestry/fra/fra2010/en/>. This is produced every 5 years through national reports. Contact details are available of officers who compiled the information and who may have more disaggregated data for their countries (<http://www.fao.org/forestry/fra/67090/en/idn/>)

<sup>25</sup> This assumes one approach to the problem (that used in the TEEB study (The Economics of Ecosystems and Biodiversity) Quantitative Analysis project), alternatives which separately model the supply and demand for ecosystem services (e.g. the Natural Capital Project's INVEST tool) may also be used

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dependent people with livelihoods benefits protected or improved as a result of ICF support). Significant collaborative working between (potentially) different teams working on different KPIs will therefore be necessary.

For example, complementary elements, such as consultation with national governments or programme managers, the use of remote sensing (include satellite data), the definition of common baselines and counterfactuals and methodologies that allow consistent comparison and evaluation across ICF KPIs, should be identified early on.

#### **4 Additional options to consider**

The research needs to be very clear about the risks of double-counting so it is critical to establish a coherent conceptual framework.

The contractor will be required to complete the following during the inception phase of the contract:

- (i) a review of available methodologies, data and analytical tools sources and preparation of options for assessing the value of ecosystems services including and biodiversity benefits from ICF programme:

During the next phase of the contract, the contractor will be required to:

- (ii) development and piloting of preferred option at programme, project and country level
- (iii) roll out of data collection and reporting of ecosystem services and biodiversity benefits (from forestry).

The contractor will provide options for additional work to support the development and indication of the intervention, which will be considered on a separate and additional basis to the core work of indicator development. This may include, for example, developing tools and guidance so that the methodology developed can be easily used or replicated by ICF programme managers.

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#### **Annexes:**

1. ICF publication (2012)  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/48217/3389-uk-international-climate-fund-brochure.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/48217/3389-uk-international-climate-fund-brochure.pdf)
2. ICF Implementation Plan (2011)  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/66150/International\\_Climate\\_Fund\\_ICF\\_Implementation\\_Plan\\_technical\\_paper.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/66150/International_Climate_Fund_ICF_Implementation_Plan_technical_paper.pdf)
3. ICF overall theory of change (2014)
4. ICF Key Performance Indicators & associated methodologies