

NAMA Facility Monitoring Workshop with International Stakeholders – Report

13 May 2017, Bonn, Germany

On behalf of



Federal Ministry for the
Environment, Nature Conservation,
Building and Nuclear Safety



Department for
Business, Energy
& Industrial Strategy



Danish Ministry
of Energy, Utilities
and Climate



Contents

1. Introduction	3
2. Monitoring purposes, costs and quality of data.....	4
3. Monitoring transformational change	5
4. Monitoring GHG mitigation	5
5. Monitoring financial leverage	6
6. Next steps	6
7. Further Information	7
Annex I	8

1. Introduction

The [NAMA Facility](#) organized an exchange on technical questions related to the monitoring of changes effected by projects that have been financed by international climate finance mechanisms. The workshop took place during the Climate Change Conference/SBI in May 2017 in Bonn. Responsible staff from NAMA Facility Donors involved in monitoring, monitoring experts from the [International Climate Fund \(CIF\)](#), [Green Climate Fund \(GCF\)](#), [Climate Investment Funds \(CIF\)](#), the [International Climate Initiative \(IKI\)](#) and representatives from three NAMA Support Projects which are currently under implementation presented their monitoring schemes and discussed common challenges and opportunities.

A key purpose of the workshop was to discuss and compare the overall set-up of monitoring schemes of climate finance mechanisms with a focus on greenhouse gases (GHG) mitigation. Central feature in most frameworks are indicators measuring:

- transformational change;
- mitigation of greenhouse gases; and
- leverage of additional public and private finance for low-carbon pathways.

The workshop was designed as an opportunity for climate finance mechanisms to enter into discussion about monitoring, to identify common questions and opportunities and to foster network building. This report hence strives to summarise the elements, questions and prospects for further developments discussed during the workshop to facilitate peer-to-peer learning. The NAMA Facility will use insights from the workshop for the upcoming update of its monitoring and evaluation framework.

2. Monitoring purposes, costs and quality of data

Monitoring of climate finance mechanisms serves multiple purposes, amongst which are core functions such as monitoring for project/programme steering and monitoring for reporting. Particularly learning and improvement, which are among the key features of the NAMA Facility, is reliant upon the reporting of good quality data. Two central elements of monitoring that are often interconnected are costs for monitoring and the quality of data. These two depict challenges to the overall quality of results of monitoring. Costs on project level derive not exclusively but mainly from data collection, from the accessibility of data from key sources (e.g. if urban authority information is not segmented into different areas as reported from the Colombia TOD), and from design limitations of different roll-out formats (e.g. if no clear baselines are established). Monitoring costs on programme level are resulting mostly from activities linked to quality assurance, aggregation and analysis of data.

Communication is a further key element linked to monitoring. By communicating extracted data the broader public receives information on international efforts to combat climate change e.g. by reducing GHG or leveraging further low-emission investments.

Questions and issues for further considerations

- With quality of data varying in the portfolio of a climate finance mechanism, communication can be challenging and questions of how to communicate data changes arise, e.g. due to dynamic baselines and the contrasting positions of communicating projections/ex-ante versus results/ex-post data.
- Acquired data needs to comply with various purposes e.g. aggregation of data for analysis, communicating to wider public by telling stories of what impact the activities have on the lives of people. A single data type is hence not sufficient; rather a combination of quantitative and qualitative data needs to be generated to fulfill multiple purposes.
- An important element for generating quality data on programme level is to ensure compliance and alignment of project monitoring activities with the monitoring systems of the climate finance mechanisms. An important step can be to capture monitoring and reporting requirements in project contracts or Terms of Reference. Joint capacity building exercises can be another instrument for generating harmonized data quality on programme level.
- In areas where multiple mitigation activities are being implemented or several funding sources are being used, the delineation between single projects and respectively the attribution of results needs special emphasis to avoid double-counting. Programs funding mitigation and adaptation projects need to consider how to handle in particular, potential overlaps.
- Harmonisation of monitoring can potentially reduce costs at two levels: At the level of climate finance mechanisms, harmonisation might result in savings with regard to transaction costs; on the project level harmonisation of monitoring requirements of a programme framework and of national systems e.g. Measuring Reporting and Verification (MRV) system, tracking of progress on Nationally Determined Contributions (NDC) implementation, make monitoring potentially more efficient. Furthermore such a harmonization might increase acceptance of monitoring requirements on national level.

3. Monitoring transformational change

Striving to fund transformational change is a goal shared by many climate finance mechanisms. Frameworks that are designed to monitor transformational change need to consider the discrepancy that arises by transformational change being a complex and multidimensional process that by its nature is rather a mid- to long-term endeavor whereas most projects are set up for a rather short implementation period. Hence, compared to the programme level, for projects it is often not so clearly stated how transformational change looks like.

Questions and issues for further considerations

- A common definition of ‘transformational change’ does not exist. There are international initiatives dedicated to particularly work on this important issue. So far, replication, demonstration of scalable financial instruments for low-carbon development, mainstreaming of climate change aspects into national and sector policies are among the elements that are widely considered transformational.
- In order to respond to the challenge of transformational change being a longer process than most project implementation periods, on project level, a number of climate finance mechanisms monitor ‘only’ the likelihood of transformational change, and actual change only on programme level.
- How can a complex process in practice be captured by monitoring systems with avoiding both oversimplification and the risk of confirmation bias? Do we need to consider monitoring long-term effects and if so, how?

4. Monitoring GHG mitigation

While allowing a much appreciated quantification of results, monitoring of GHG mitigation is a complex task. A multitude of guidances on methods is available e.g. [IPCC](#), [GHG Protocol Policy and Action Standard](#) responding to varying needs e.g. with regard to the level of detail required for different monitoring systems.

Questions and issues for further considerations

- An added value of monitoring GHG mitigation effects is created by linking a monitoring system to national systems and reporting requirements e.g. MRV system, progress reporting on implementation of NDCs and BURs. The timing of reporting from project to programme and policy level might not be ideal with regard to the availability of national data provided annually.
- Particularly important but equally challenging is ensuring that the capacity to monitor and report on progress is available beyond project lifetime, especially since in many cases main mitigation impacts only materialise after the end of the project e.g. in transport or forestry projects.
- Projections and actual achievements can differ – how can the discrepancies be dealt with on programme level? Leakage and rebound effects alter data and need to be considered for calculations. Correspondingly the question of how to verify and validate data and who would be doing it may be worth exploring.

5. Monitoring financial leverage

Leveraging of additional private and public funds can considerably multiply effects of mitigation projects. In some cases ideally the funds provided by climate finance mechanisms are just serving the purpose of a bridge funding unlocking larger investment streams and supporting a redirection of funds towards low/zero emission solutions.

Questions and issues for further considerations

- Defining additionality and attribution is a challenge with regard to the delineation of activities and effects of other funds. Transparency beyond projects/funds is important for distinguishing between several climate actions and attributing leveraged funds.
- Private leverage is not easy to monitor as information is usually confidential and actors are reluctant to share information like business models etc.
- Estimating baselines is challenging. A detailed analysis of the appropriate market(s) may help to determine the business as usual (BAU) or baseline considering also that in some cases interventions may only be accelerating private markets and hence private climate finance would have happened in the absence of the intervention.

6. Next steps

At the workshop, participants agreed that it was understood as a step towards continued communication and networking on monitoring issues amongst climate finance mechanisms. The idea of having a follow-up meeting on questions raised during the workshop in Bonn was appreciated by all participants. The NAMA Facility will facilitate and support further networking on the addressed topics.

7. Further Information

Monitoring frameworks

[NAMA Facility Monitoring and Evaluation Framework](#)

UK Working Paper: A project level approach to forecasts and monitor private climate finance mobilised (November 2012) Eales, Ockenden, Streatfield and Warrander.

https://www.oecd.org/env/cc/2012_UK_Approach_paper.pdf

Shifting Paradigms: Unpacking Transformation for Climate Action. Guidebook for climate finance and development practitioners (June 2014). Wuppertal Institute, Florian Mersmann et al.

<https://wupperinst.org/en/a/wi/a/s/ad/3656/>

Information on NAMAs in implementation supported by NAMA Facility and represented at the workshop:

[Colombia Transit-oriented Development \(TOD\) NAMA](#)

[TOD NAMA Blog](#)

[Costa Rica Low Carbon Coffee NAMA](#)

[Costa Rica Coffee NAMA Website \(en/esp\)](#)

[Mexico New Housing NAMA](#)

[Mexican Housing NAMA Website](#)

Annex I

Presentation International Climate Initiative Monitoring and Evaluation Concept

Programme Office
**International
Climate Initiative**

On behalf of:



Federal Ministry for the
Environment, Nature Conservation,
Building and Nuclear Safety

The Monitoring and Evaluation Concept of the International Climate Initiative (IKI)

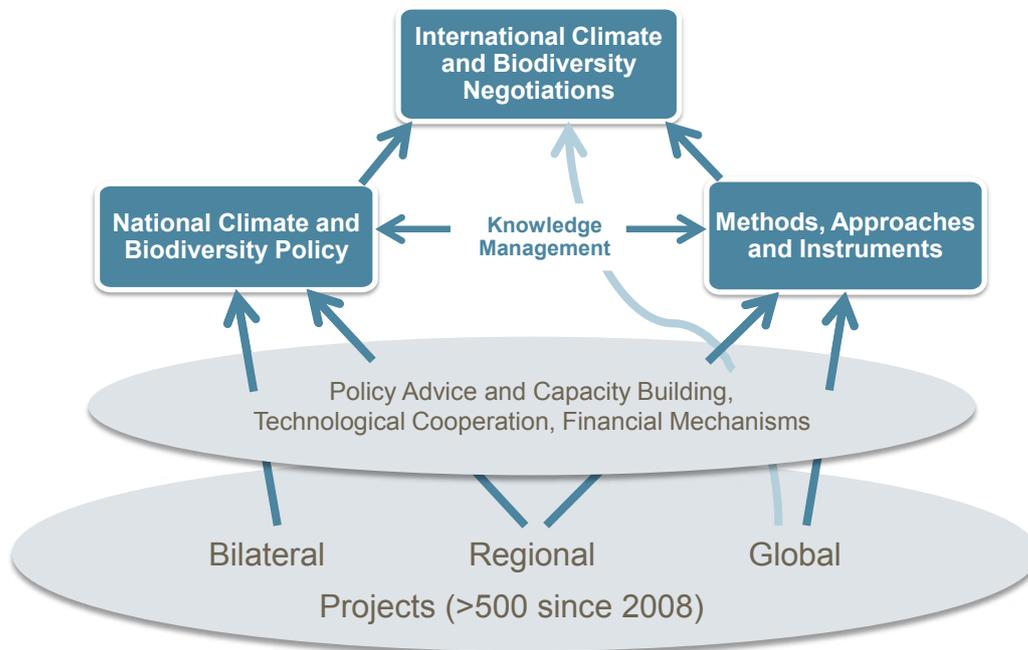
Felix Ries and Alban Kisife

Programme Office of the International
Climate Initiative (IKI)

21.07.2017

Seite 1

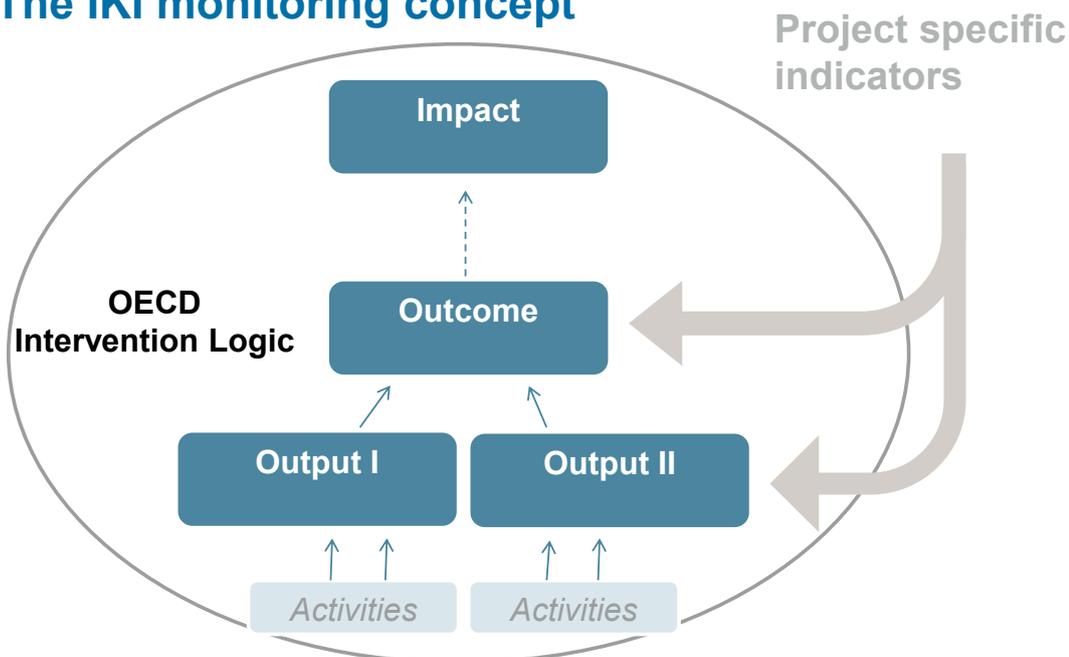
1. IKI Approach and Interactions



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Seite 2

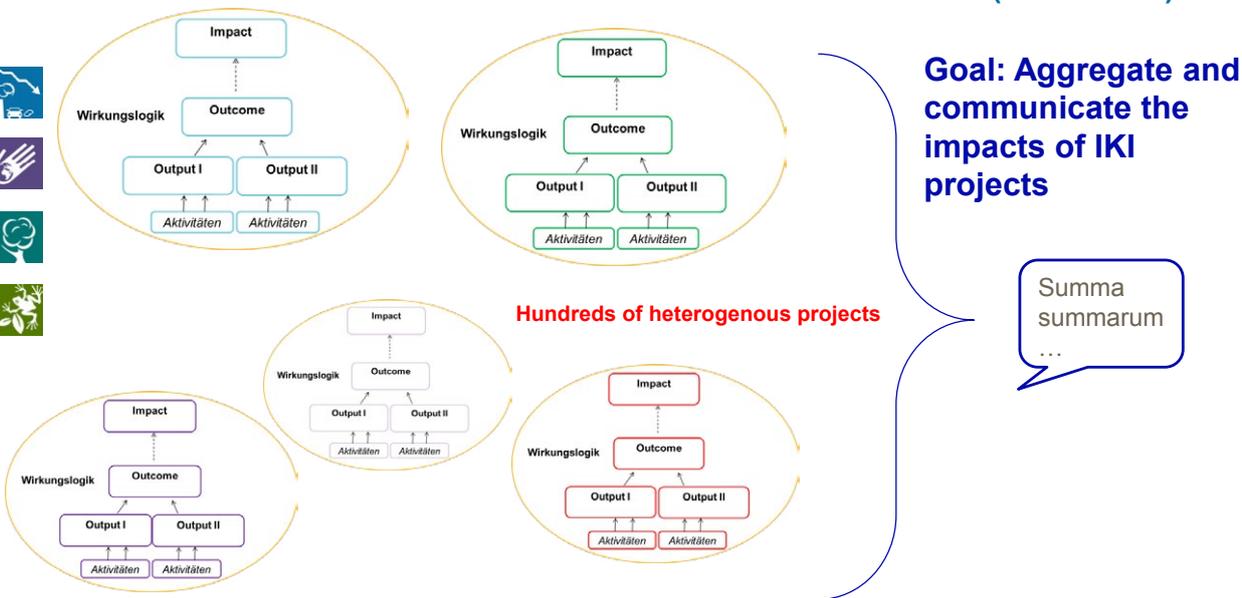
2. The IKI monitoring concept



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Seite 3

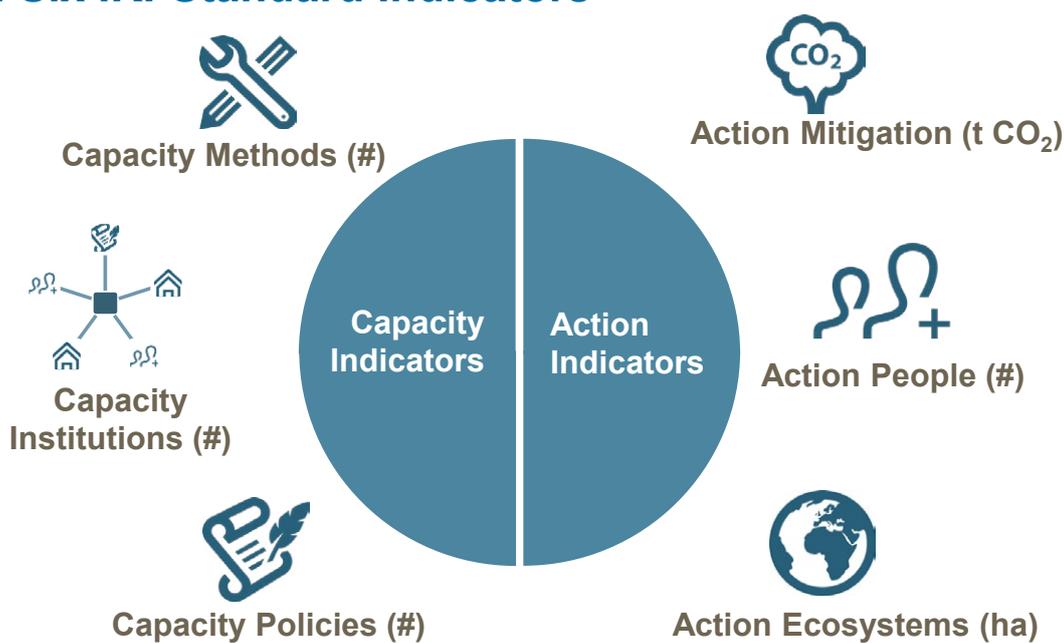
The IKI monitoring concept (cntd) ...with the standard indicator component (since 2015)



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Seite 4

3. Six IKI-Standard Indicators



21.07.2017

Seite 5



4. Some experiences and challenges encountered in implementing the standard indicators



- Wide acceptance
- Time lag: Achieved results from relevant share of portfolio only available in >5 years
- Completeness of data
- Estimating the scope of capacity indicators
- Verification of values submitted
- Aggregation of values across all projects (and time scales) vs cherry-picking of a couple of individual projects
- Risks of double counting (esp. scope of capacity indicators)

21.07.2017

Seite 6



Thank you for your attention!



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Seite 7

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