

*On behalf of*



# **Evaluation of the International Climate Initiative (ICI) of the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU)**

***Summary of the background, methodological approach and implementation of the ICI Evaluation***

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## 1 ICI AT A GLANCE

<b>ICI since 2008</b>	Since 2008, the International Climate Initiative (ICI) of the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) has been financing climate projects in developing, newly industrialized and transition countries. So far, 220 projects were initiated with funding totaling some € 450 million. Implementing agencies are both international and national institutions, public and private. BMU funded ICI projects are found in more than 60 countries.
<b>Dynamic development</b>	Ever since its launch, ICI has constantly been further developed so as to reflect and incorporate the dynamism of the “climate debate”. Most notably, the list of project types eligible for funding and the selection criteria were modified over the years.
<b>Overall focus</b>	However, there was no need to change the overall focus of the initiative – promoting a climate-friendly economy (Area I), promoting measures for adaptation to the impacts of climate change (Area II), promoting measures for preservation and sustainable use of carbon reservoirs/ Reducing Emissions from Deforestation and Degradation (Area III) – as support in these areas is still as relevant today as it was in 2008. Also, ICI’s aims still remain unchanged and read as follows: climate protection, innovative approaches, duplicability, conservation and use of areas worth protecting.
<b>Program Office</b>	The Program Office, launched in early 2008 and run by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), GmbH ensures backstopping and implementation support towards the funded projects in the name of BMU. As GIZ is also recipient of ICI financing a “firewall” (a technical barrier forbidding the exchange of information) between the Program Office and GIZ Headquarter was established.

## 2 EVALUATION – OBJECTIVE

### Objective of the evaluation

The evaluation is to be understood as a comprehensive performance review of the BMU initiative. It shall measure and assess results and impacts of the individual projects and the program as a whole, as well as at the same time function as accountability / reporting document for the German Government and public at large. Further, given that ICI is still ongoing, special attention is to be paid to discerning areas of *improvement* for future steering and implementation.

### Contractor and deliverables

The consortium GFA Consulting Group GmbH and GFA ENVEST GmbH (short: GFA) is commissioned by the German Federal Environment Agency (UBA) to implement the evaluation of the ICI. The contractor's responsibilities are listed below and to be delivered within the project period (11/2010 – 12/2012). Within the consortium, GFA Consulting Group GmbH is responsible for the coordination and quality control of the evaluation itself.

1. Assessment and completion of the evaluation methodology
2. Evaluation of the individual projects financed by ICI
3. Evaluation of the overall ICI program
4. Final presentation and reporting

UBA carries the responsibility of overall coordination and management of the evaluation project and quality control on behalf of the BMU.

### Scope of the evaluation

A selection of the ICI-financed projects falls within the scope of this evaluation. Out of the above mentioned 220 projects 115 will be evaluated. Those are the projects that can be subject to a meaningful (ex-post) evaluation, since they encounter themselves  $\pm$  6 months before termination, or are already terminated.

### Projects eligible for evaluation

ICI finances projects with diverse thematic and geographic foci, different project types, overall budget and duration. Table 1 below summarizes the nature of the 115 projects subject to this evaluation.

PROJECT PORTFOLIO ICI EVALUATION								
THEMATIC PROJECT CATEGORIES (AREA I) – 68 PROJECTS								
	Waste	EnEff	EnEff / RE	RE	Climate policy	Climate-relevant GG	Carbon trading / carbon market	Transport
%	3%	19%	7%	16%	24%	9%	19%	3%
THEMATIC PROJECT CATEGORIES (AREA II & III) – 47 PROJECTS								
	Adaptation strategies	Climate-relevant biodiversity without REDD	Carbon sinks with REDD	Carbon sinks without REDD	Ecosystem-based landuse systems	Insurance		
%	34%	15%	15%	28%	6%	2%		
PROJECT TYPES (AREA I, II, III) – 115 PROJECTS								
	Financing		Implementation		Capacity Building		Policy Consultancy	
%	1%		23%		57%		19%	

GEOGRAPHIC DISTRIBUTION (AREA I, II, III) – 115 PROJECTS						
	Africa	Asia	Europe, Caucasus, Central Asia	Central & South America	Middle East	Global
%	15%	28%	29%	15%	2%	12%

FINANCIAL DISTRIBUTION BY REGION (AREA I, II, III) – 115 PROJECTS						
	Africa	Asia	Europe, Caucasus, Central Asia	Central & South America	Middle East	Global
%	11%	22%	42%	16%	1%	8%

EnEff: Energy Efficiency / RE: Renewable Energy / GG: Greenhouse Gases / REDD: Reducing Emissions from Deforestation and Degradation

### Levels of the evaluation

The above project portfolio will be evaluated on an individual level (individual projects), as cluster evaluation (project clusters) and from the “program point of view” (overall ICI program).

Evaluating each one of the 115 ICI financed projects is a clear-cut task. In this regard the result and impact of the respective individual project is assessed. Out of these 115 projects, 22 projects were selected that shall be evaluated *in-situ*, thus allowing for a more in-depth analysis of the intervention. The selection was done by BMU/UBA and the ICI Program Office.

The evaluation of project clusters is designed to depict and compare (thematically) similar projects. This will generate lessons and results from and for similar project types. BMU/UBA and the ICI Program Office established the following 6 clusters:

- Cluster 1: Capacity development & policy consultancy
- Cluster 2: Climate-friendly economy & sustainable energy supply
- Cluster 3: Biodiversity & carbon sinks
- Cluster 4: Adaptation to climate change
- Cluster 5: Regional cluster
- Cluster 6: Technology cooperation

The evaluation of the overall ICI program is more than just a summary of the individual and cluster evaluations. The results of the aforementioned are just one part of it. The central issue here is to shed light on the impact of the overall ICI. The program evaluation is expected to show strengths and weaknesses of ICI, all of which can then be used for future improvements of the initiative.

### Time-frame

The timeframe for the implementation of the ICI evaluation is as follows:



### 3 EVALUATION – METHODOLOGY AND IMPLEMENTATION

#### Conceptual framework

In order to develop the conceptual framework, i.e. the methodology, for the ICI evaluation both general and technical evaluation literature was drawn from. This was done so as to incorporate lessons learnt and good practices from previous evaluations, and guarantee a state of the art approach towards this evaluation.

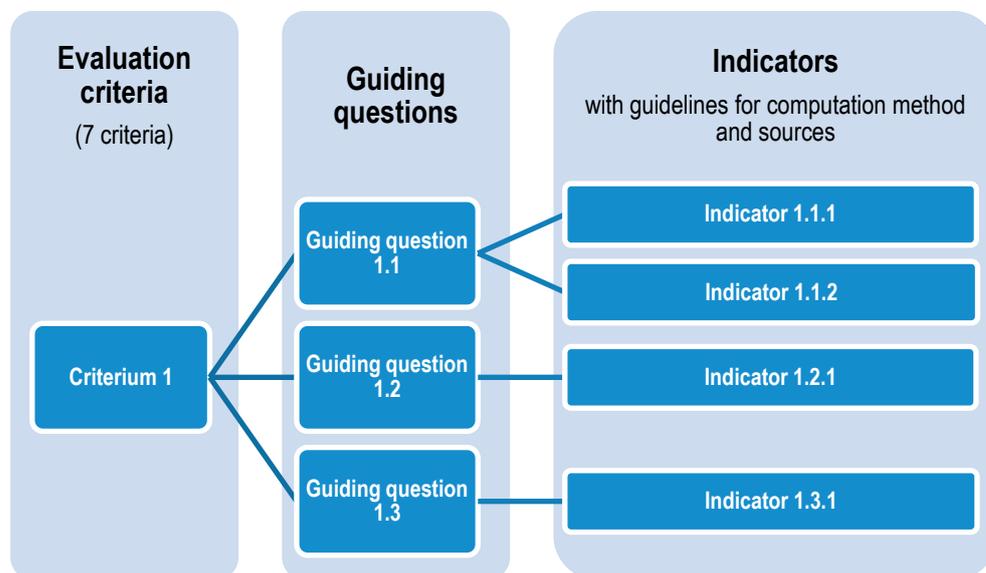
Most notably the following standards / literature were consulted and integrated:

- OECD-DAC Criteria (1991)
- OECD-DAC Evaluation Quality Standards (2006/2010)
- BMZ Evaluation Criteria for German Bilateral Cooperation (2006)
- DeGEval Standards for Evaluation (2008)
- BMU/UBA Studies, e.g. UFOPLAN study (2004), Indicator Concept for the German Adaptation Strategy (2010), etc.
- GEF Background and Elements for a GEF Monitoring and Evaluation Framework on Adaptation (2008)
- UNDP M&E Framework for Adaptation to Climate Change (2007)
- Institute for Global Environmental Strategies Studies, e.g. CDM Emission Reductions Calculation (2010)
- UNFCCC Tools to calculate emission factor in electricity systems (2009)
- FAO State of the World's Forests (2009)
- GIZ Guideline for Environment and Climate Proofing in bilateral cooperation (2010)
- A multitude of complementary material available in the public domain

It is to be considered, however, that especially in the area of adaptation to climate change no universally accepted evaluation standards exist. The complexity and multisectoral nature of the topic make it extremely difficult to develop methods and standards that are equally valid for all project types and sectors. Given that the assessment and completion of the evaluation methodology is one of the contractor's deliverables, the ICI evaluation does contribute to tackling the problem of universally acceptable evaluation standards for climate projects.

## ICI evaluation criteria, guiding questions & indicators

Based on the above literature and the contractor’s experience in evaluating individual projects and programs, specific ICI evaluation criteria, guiding questions and indicators were developed.



The evaluation criteria are based on the five OECD-DAC criteria for project evaluation. In addition, they have been extended by the two criteria “Coherence and Coordination” and “Planning and Steering” so as to capture additional insights into ICI (projects and program). They will be relevant to determine areas for improvement of the initiative. The seven evaluation criteria and the corresponding guiding questions read as follows:

CRITERION & DESCRIPTION	Guiding Questions
<p><b>1. RELEVANCE</b> The criterion „relevance“ scrutinizes the intervention logic of the respective individual project in the context of the overall ICI program</p>	<p><b>Overall Guiding Question:</b> Do the project goals take into account the ICI's overall goals?</p> <p><b>Sub-questions:</b></p> <ul style="list-style-type: none"> <li>To which degree does the project contribute to the achievement of ICI's program goals?</li> <li>To which degree is the project relevant for achieving the country's “climate goals”?</li> </ul>
<p><b>2. EFFECTIVENESS</b> The criterion „effectiveness“ scrutinizes the extent to which the goals of the respective project were achieved (or, in case of ongoing projects: are likely to be achieved)</p>	<p><b>Overall Guiding Question:</b> To which degree are the defined project goals achieved?</p> <p><b>Sub-questions:</b></p> <ul style="list-style-type: none"> <li>Is the project goal realistic from today's point of view?</li> <li>Was the project goal achieved (in case of finished projects), or respectively to which degree is it probable that the project goal will be achieved (in case of ongoing projects)?</li> </ul>
<p><b>3. EFFICIENCY</b> The criterion „efficiency“ scrutinizes the economic feasibility of the respective project.</p>	<p><b>Overall Guiding Question:</b> How is the relation between the project results and the employed (financial) means to be judged?</p> <p><b>Sub-questions:</b></p> <ul style="list-style-type: none"> <li>Is the invested effort justified when compared to the respective reference value/frame (e.g. sector-specific mitigation costs)?</li> <li>Is the invested effort necessary to achieve the project goal(s)?</li> <li>Are the outputs of the project (e.g. capacities, knowledge, equipment) really used?</li> </ul>

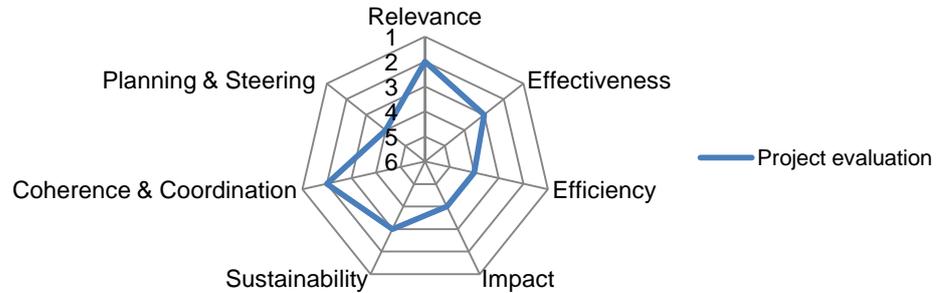
<p><b>4. IMPACT</b></p> <p>The criterion „impact“ scrutinizes climate-relevant impacts that go beyond the respective project's goals.</p>	<p><b>Overall Guiding Question:</b></p> <p>Does the project contribute to reaching the higher-ranking climate impacts?</p> <p><b>Sub-questions:</b></p> <ul style="list-style-type: none"> <li>• Which qualitative and quantitative climate-relevant impacts were achieved?</li> <li>• To which degree were relevant other un-intended impacts achieved ("Co-benefits"/negative side impacts)? This can also be impact that are not strictly "climate-relevant"</li> <li>• To which degree were multiplier effects in view of dissemination of the results achieved?</li> </ul>
<p><b>5. SUSTAINABILITY</b></p> <p>The criterion „sustainability“ scrutinizes the degree to which the project's outcome are continued to be used by the local stakeholders after project termination, as well as the degree to which the project impact stays visible.</p>	<p><b>Overall Guiding Question:</b></p> <p>Can the positive impacts of the project be sustained?</p> <p><b>Sub-questions:</b></p> <ul style="list-style-type: none"> <li>• To which degree is the project's impact verifiable even after the end of the project (in case of finished projects) or respectively to which degree is the project's impact expected to be verifiable after the end of the project?</li> <li>• To which degree do the beneficiary / project partners have the technical, economic and political capacities of sustaining and continuing the positive results of the project after the project has ended?</li> <li>• To which degree are the project's outputs used or continued by the beneficiary / project partner?</li> <li>• How stable is the ecological, social, institutional and economic situation in the project area? Could changes of the current situation negatively influence the project's sustainability?</li> </ul>
<p><b>6. COHERENCE &amp; COORDINATION</b></p> <p>The criterion „coherence &amp; coordination“ scrutinizes the degree to which activities / projects were coordinated with other bi- and multilateral donors as well as other German ministries / departments.</p>	<p><b>Overall Guiding Question:</b></p> <p>Is the project complementary to interventions of other donors?</p> <p><b>Sub-questions:</b></p> <ul style="list-style-type: none"> <li>• To which degree is the project complementary / additive towards projects of other donors (including other German ministries / state agencies)?</li> <li>• Do the chosen forms of cooperation in project implementation assure an adequate coordination with other donors (including German ministries / state agencies)?</li> </ul>
<p><b>7. PLANNING &amp; STEERING</b></p> <p>The criterion „planning &amp; steering“ scrutinizes the quality of the project management</p>	<p><b>Overall Guiding Question:</b></p> <p>Are the employed planning and steering processes appropriate for reaching the project's goals?</p> <p><b>Sub-questions:</b></p> <ul style="list-style-type: none"> <li>• To what degree is the project planning by the implementing agency, the partner organization and the project management team of good quality?</li> <li>• To what degree is the steering of the implementing agency, the partner organization and the project management team of good quality?</li> </ul>

## Indicators and grading

Every guiding question is equipped with one or more indicator. These indicators are relatively “universal” given the multidisciplinary nature of the projects financed under ICI and as such serve as framework at the start of the evaluation. They will be complemented and/or adjusted according to project specific indicators as mentioned in the respective project proposal as required.

The majority of the indicators that correspond to the guiding questions are rated from 1-6 (with 1 being the best grade and 6 being the worst grade). It is to be noted, though, that grade "1" is only given in case of a "very good result that clearly exceeds all expectations". Only full grades are possible, i.e. 1,2,3,4,5,6.

By rating the indicators it is possible to assign a grade to each guiding question. In case more than one indicator is used to answer a guiding question, then the average of the indicators will be calculated. The guiding questions are then used to calculate a grade for the respective criterion. In the end, each of the seven criteria will show a grade from 1-6 and will be visualized in a spider diagram:

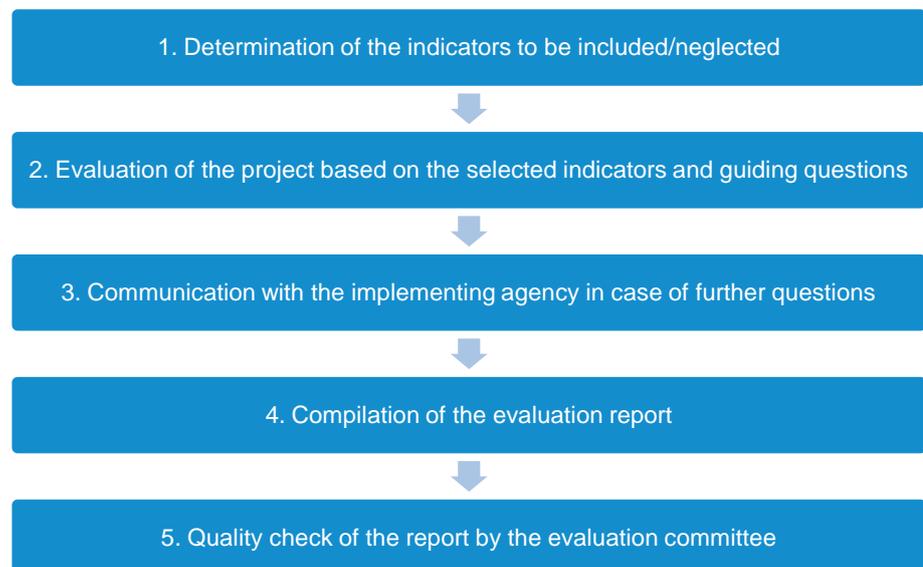


**Diversity calls for “broad based” approach**

The range of the developed guiding questions and indicators is quite extensive. This is due to the diversity of the projects, not only in terms of differences between adaptation and mitigation projects, but also due to the thematic diversity within the individual areas. The challenge is to provide a methodology that is as standardized as possible while at the same time leaving enough room to accommodate comparisons of very different projects. Therefore, not every indicator will be relevant for every project. Rather, an evaluation committee (established by the contractor) together with the respective evaluator will decide on which indicators are to be included / neglected in the evaluations. The implementer can also add their judgment in the context of their self-evaluation.

**Individual project evaluation**

Based on the above logic each individual ICI-financed project will be reviewed and evaluated. The steps for the individual evaluation are the following:



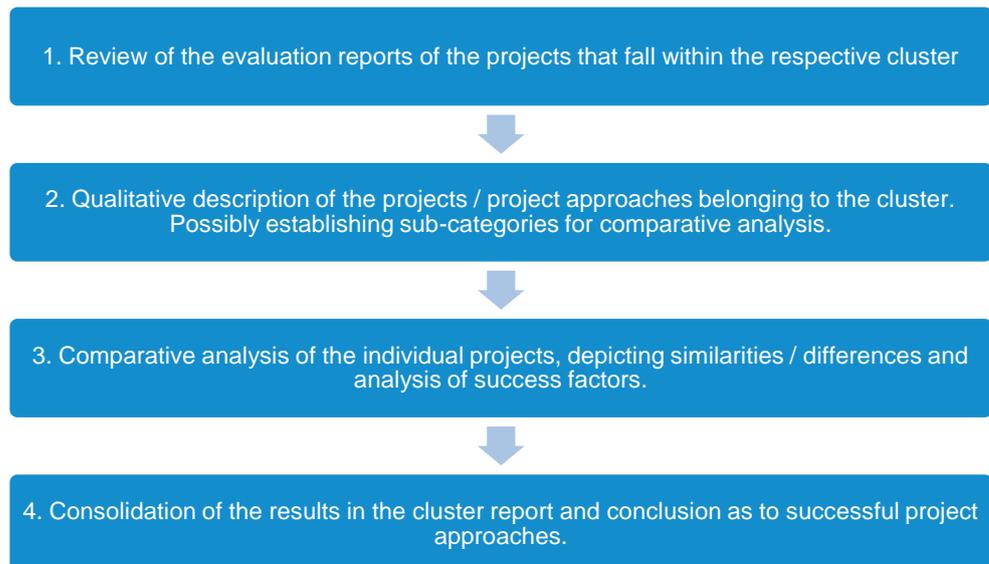
The “tools” to be used for the individual project evaluation are the following:

- Standardized evaluation grid including the spider diagram (to be filled out by the evaluator)
- Standardized self-assessment grid (to be filled out by the implementing agency of the respective project)
- Standardized project evaluation report template

### Cluster evaluation

As mentioned above, the evaluation of project clusters shall depict and compare (thematically) similar projects. It is based both on the evaluation of the individual projects and on additional general and cluster-specific guiding questions. The guiding questions center on the similarities and differences of the project approaches and how these contributed to the achievement of ICI’s overall goals, success factors, lessons-learned, recommendation for improvement, etc.

The cluster evaluation will take the following steps:



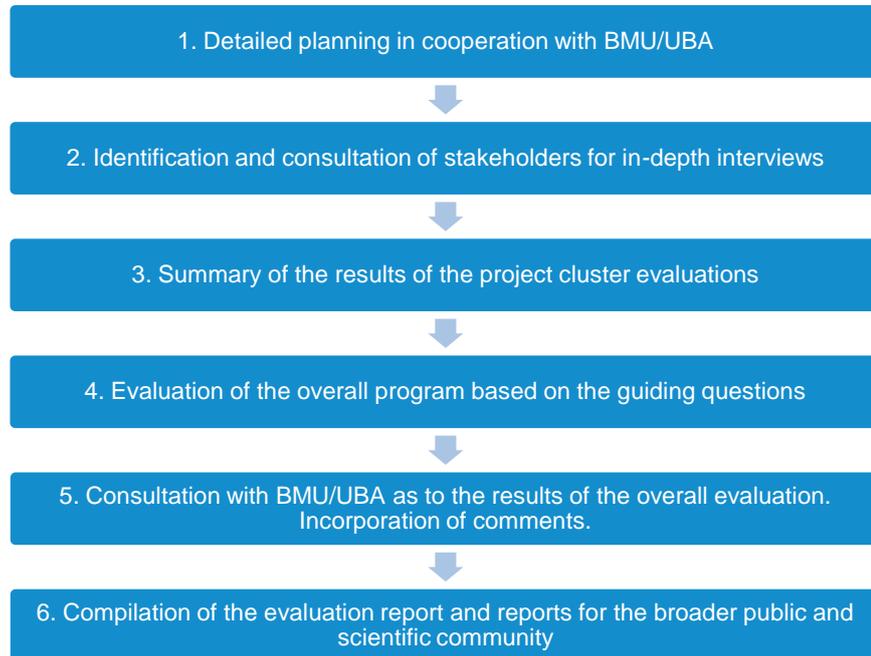
The “tools” to be used for cluster evaluation are:

- Consolidation of project evaluation results within the cluster
- Standardized guiding questions for cluster evaluations
- Standardized cluster evaluation report template

### Program evaluation

The evaluation of the overall ICI program is also based on qualitative guiding questions and complemented by the results of the cluster and individual evaluations. The guiding questions are arranged around the seven evaluation criteria (listed above) and go beyond a mere summary of the individual and cluster evaluation results. They look at the overall goals and tasks of ICI, the contribution to international climate protection, etc.

The steps taken for program evaluation are the following:



The “tools” to be used for overall program evaluation are:

- Consolidation of all project evaluation results
- Consolidation of cluster evaluation results
- Standardized guiding questions for program evaluation
- Semi-structured interviews
- Standardized program evaluation report Template

Based on the results of the overall ICI program evaluation recommendations are provided for future improvements of the initiative.

**“Methodology Handbook”**

Furthermore, in parallel to the ongoing evaluations the contractor is compiling and consistently editing a “Methodology Handbook”. The Handbook is based on the methodological approach as summarized here and will be further developed throughout the whole evaluation process. It will not only contain the evaluation methodology, but all relevant material and templates developed and collected during the evaluation. Once the ICI Evaluation is finalized this Handbook will be based on the lessons-learned and serve BMU/UBA for future evaluations of ICI-financed projects.

## 4 TRANSPARENCY AND QUALITY ASSURANCE

<b>Conditio sine qua non</b>	The key issues for a successful implementation of the ICI evaluation are transparency and quality assurance: transparency so as to lend credibility to this independent evaluation, and quality assurance so as to ensure an evaluation that is as just, objective, state of the art and seminal as possible. In order to ensure both transparency and quality assurance, the contractor takes the following measures:
<b>Cooperation with BMU/UBA</b>	Close coordination with BMU/UBA and the ICI Program Office as to the completeness of the necessary project documents necessary for the evaluation is of the utmost importance. This will be secured through regular phone and email conversation as well as periodic working group meetings.
<b>Coordination with implementing agency</b>	On the same note, close coordination with the implementing agencies as to the logistics (timeline, <i>in-situ</i> visits) of the evaluation are absolutely essential. Without a clear understanding on both sides (implementing agency and evaluator) the evaluation runs the risk of being less than optimal.
<b>Standardized procedures &amp; tools</b>	Standardized procedures and tools for each individual and cluster evaluation must be applied! The more standardized the evaluation (while at the same time allowing for diversity in projects to be assessed) the easier quality assurance and more pronounced transparency.
<b>Few well selected, trained evaluators</b>	In the light of the above it makes absolute sense to assign a large number of project evaluations to a small number of evaluators. By this means “variance” in the individual evaluations is minimized. Also, rather than only relying on ex-post quality assurance, a thorough ex-ante selection and training of evaluators is indicated.
<b>Evaluation Committee</b>	As has been mentioned before, an Evaluation Committee is always available to deal with questions from the evaluators. Furthermore, a quality check of each evaluation report is undertaken by the Committee.
<b>Internal &amp; external workshops</b>	Numerous internal workshops were organized so as to develop the evaluation methodology. Rather than this being a one-off undertaking, the methodology was re-visited a number of times. Also, results are periodically presented in meetings/workshops with BMU/UBA and the ICI Program Office.
<b>External evaluator</b>	As is self-understood, for ICI-financed projects implemented or co-implemented by the contractor an external evaluator will be contracted. This shall be done in close coordination with BMU/UBA.
<b>Peer-review</b>	The methodology was peer reviewed by the Environmental Policy Research Center of the Free University of Berlin. This process included a “methodology workshop” during which suggestions for improvement were discussed and incorporated in the methodology.
<b>Quality assurance</b>	While within the consortium, GFA Consulting Group GmbH is responsible for the quality control of the evaluation itself, the UBA carries the responsibility of overall management of the evaluation project and quality control on behalf of the BMU.

## 5 CONTACTS

### ***Official website of International Climate Initiative of the BMU***

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