



Knowledge for effectiveness – The case of Commercial Climate Finance

EEEN Forum – Brussels Nov 2018



Overview

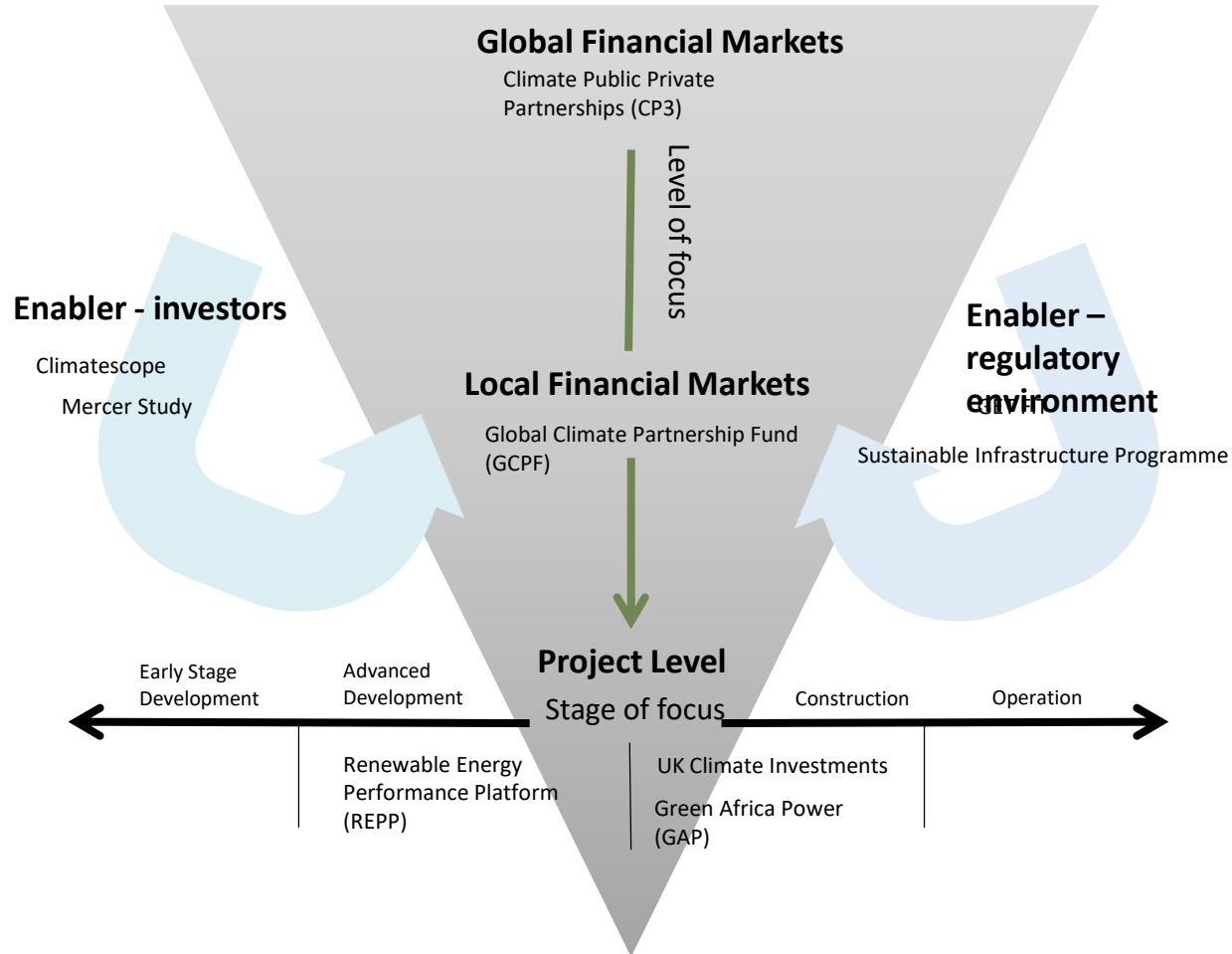
1. Portfolio level Evaluation (*Continued*)
2. Programme-level Evaluation
3. Key lessons



1. Portfolio level Evaluation



ICF Private Finance | Transformational Niches





Private Finance | The Second Evaluation Question

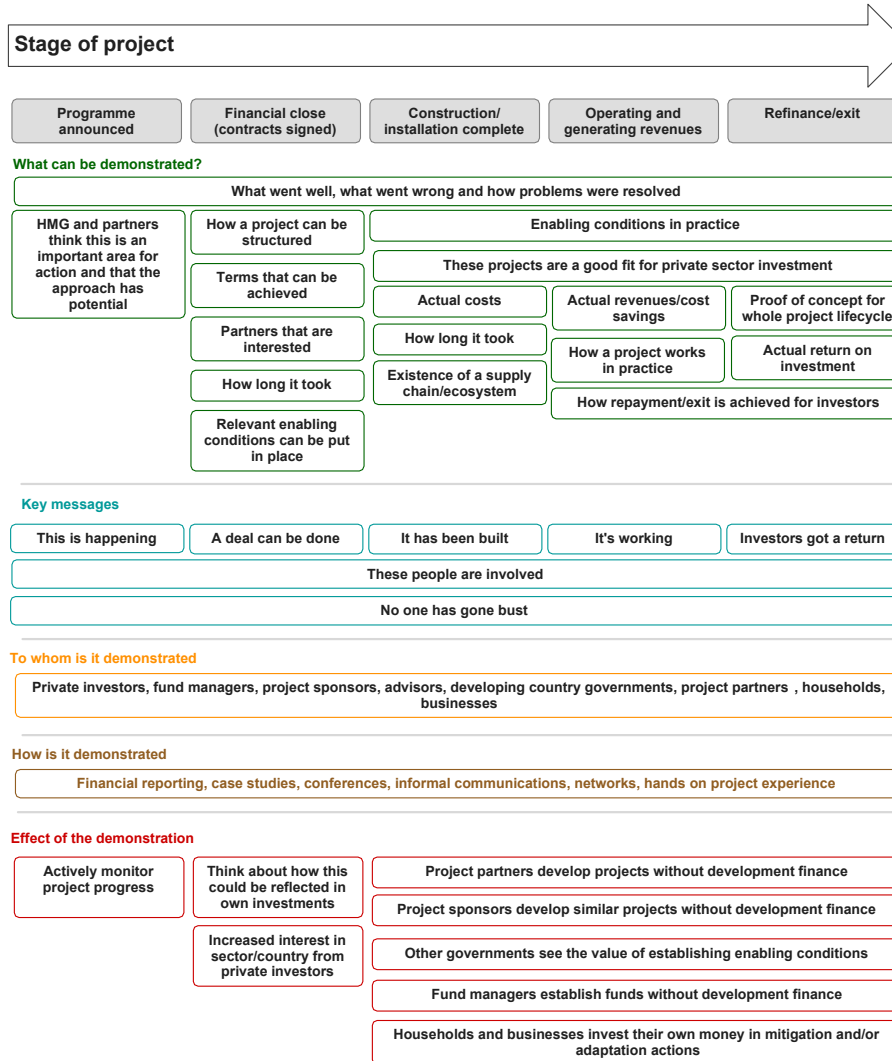
“How and in what circumstances is ICF mobilising private finance into low carbon climate resilient markets through demonstration effects?”

Demonstration Effects:

Low carbon climate resilient (LCCR) projects are undertaken, or funds established to invest in them, with less development or concessional finance, as a result of evidence from ICF supported projects.



Theory of action



See communication theory

See private investor theory, partner government theory, fund manager theory and project sponsor theory

See communication theory

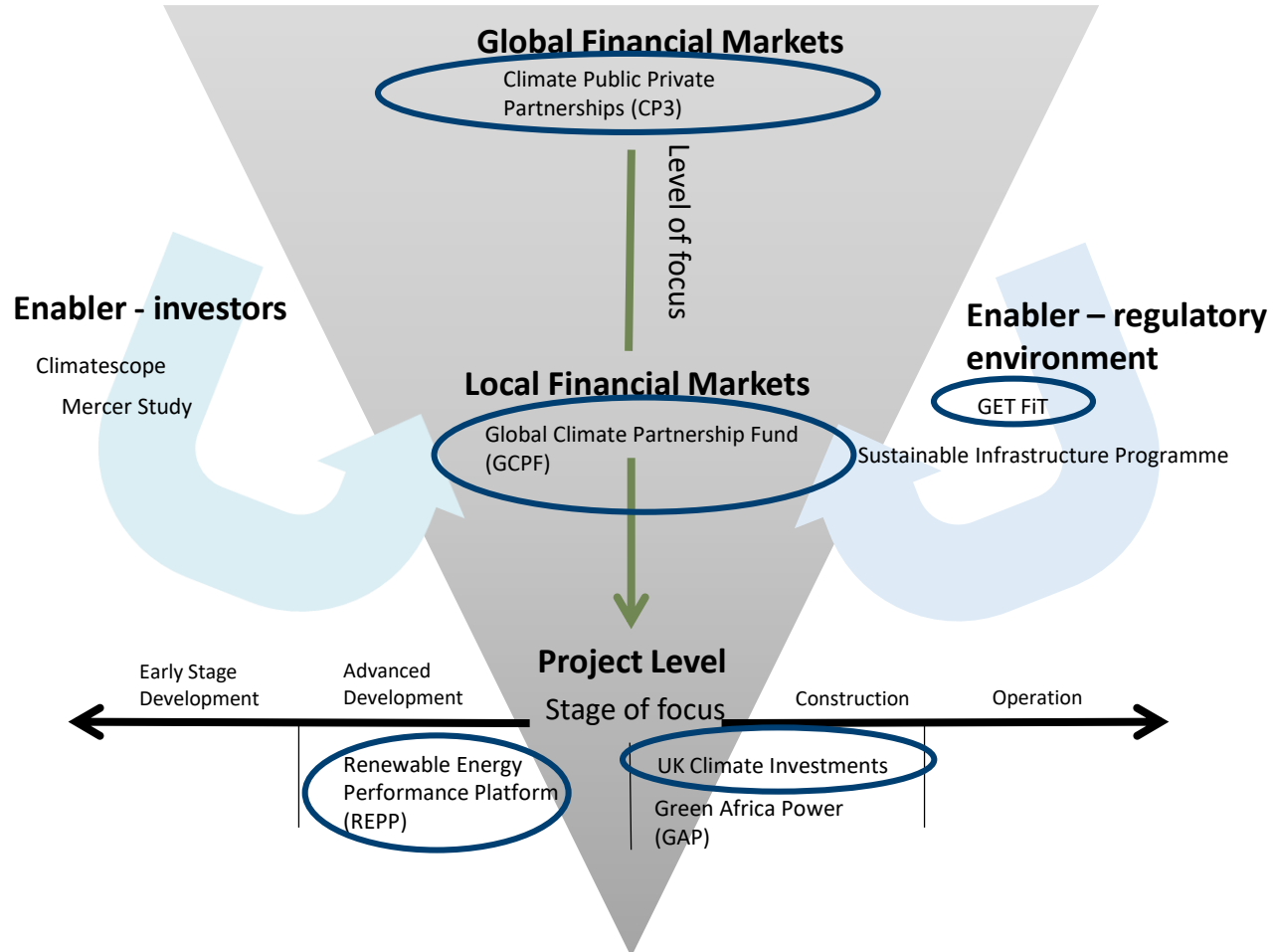
See private investor theory, partner government theory, fund manager theory and project sponsor theory



2. Programme level Evaluation



ICF Private Finance | Recent Evaluations





ICF Private Finance | Recent Evaluations

Fund	Commissioner	Evaluator	Methods
<u>Renewable Energy Performance Platform</u>	BEIS	LTS	Testing key hypotheses against an evidence framework
<u>Global Climate Partnership Fund</u>	BEIS-BMUB	Ipsos MORI, SQ Consult & EY	Qualitative Comparative Analysis, Contribution Analysis
<u>Climate Public-Private Partnerships</u>	BEIS-DFID	CPI-LTS	Realist synthesis, Contribution analysis, Value for Money assessment
<u>Grid Small Scale Renewable Energy</u>	BEIS-DFID	Castalia	Case studies and market assessment
UK Climate Investments	BEIS	Ipsos MORI, EY, Mott MacDonald & SQ Consult	Contribution analysis



Findings | Complex Delivery

- Critical to balance fund structure between being unique and additional but remaining nimble within the market.
- Commercial alignment with donor requirements can take time. Shared vision of climate transformation key.
- International recognition important but also need sufficient international capacity
- Delivery timelines often overambitious.

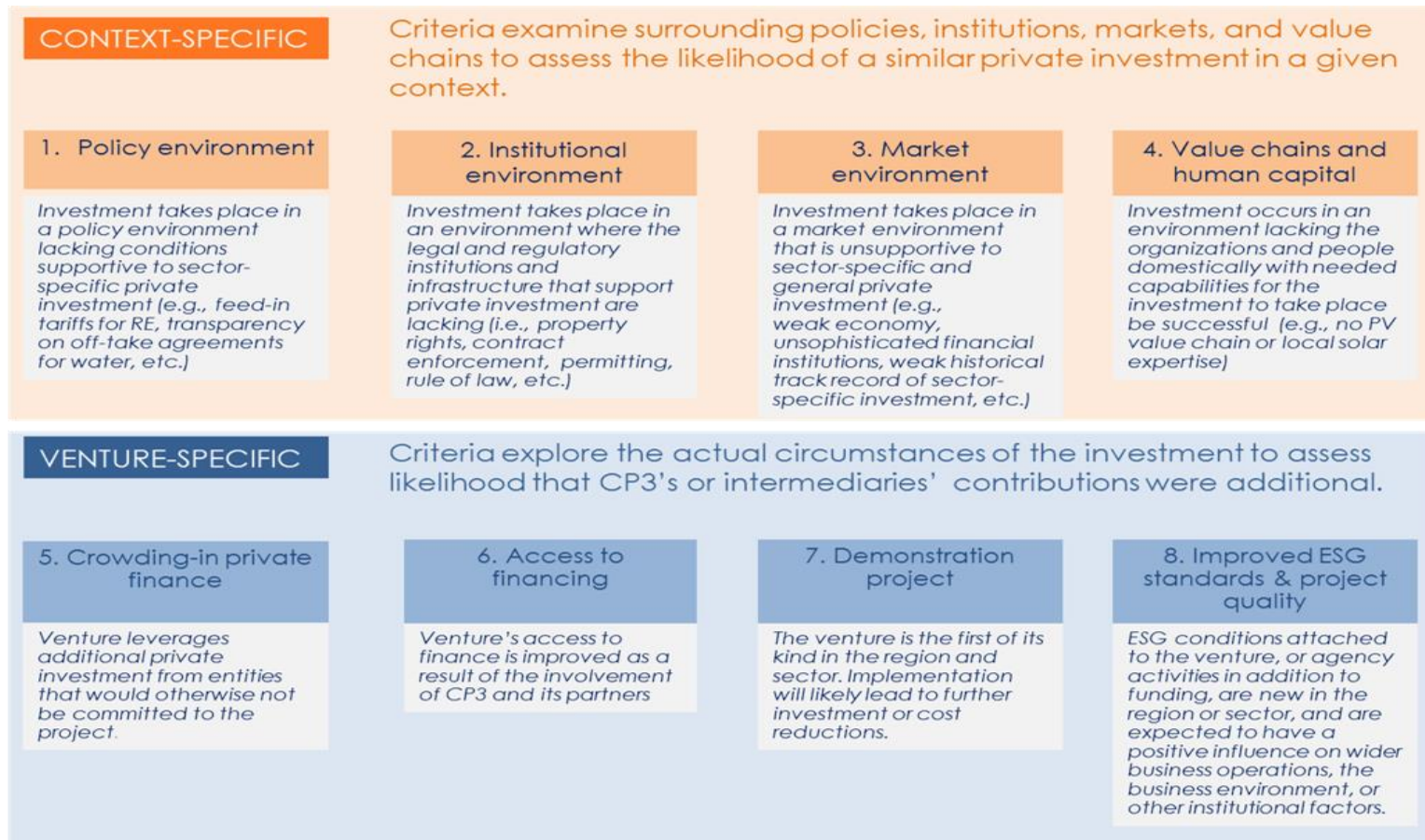


Findings | Emerging Impacts

- Flexible technical assistance key to overcoming market barriers & creating sustainable impact.
- Informal support through deal development process is highly valued, even if no investment is made.
- Socio-economic benefits of sub-lending though improved energy, reduced costs and increased productivity.
- Initial signs of replication at both fund and project level or that models are replicable.
- Clear exit strategy important for ensuring sustainability but communication sometimes needs further thought.



Findings | CP3/CPI Additionality example





3. Key Lessons



Lessons | Evaluation in commercial contexts

Assessment Framework

- Challenge of static modelling vs real world outputs
- ToC may need updating due to flexibility and to ensure shared goals
- Results take a long time to materialise from a standing start
- Changing operating environment due to shifting market conditions and evolving market

Data Access

- Hard to find relevant commercial + evaluation experts
- Low response rates from non-programme stakeholders
- Awareness of scale of risk when setting strategy
- Restrictions on access to private market information affects results measurement and disclosure



Lessons | Value of Case Studies

