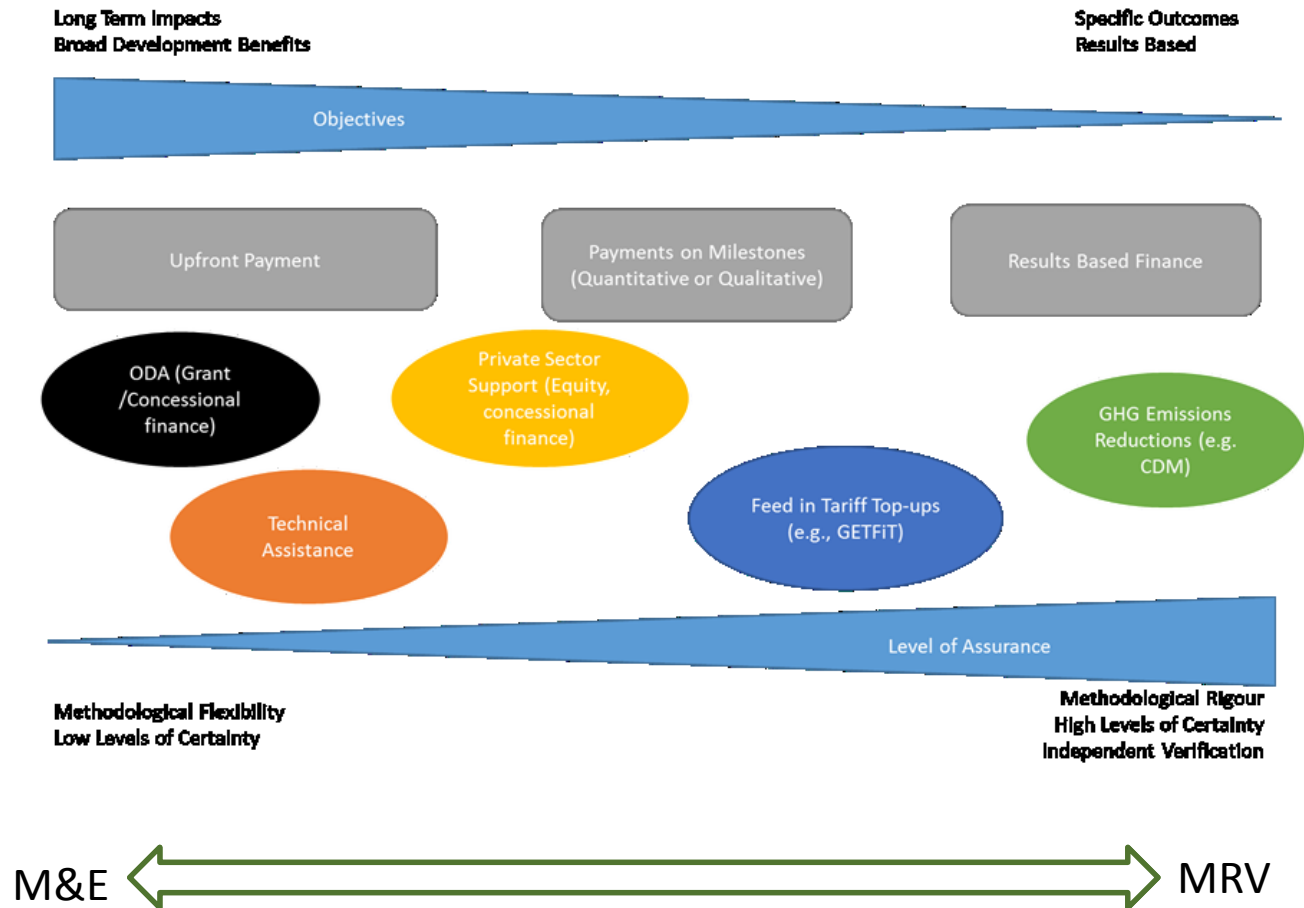


MRV in Climate Finance

Key Points

1. Many types of “climate finance”
2. Range of non-standardized approaches to measuring & reporting results
3. In some cases, a more disciplined approach to MRV would be useful

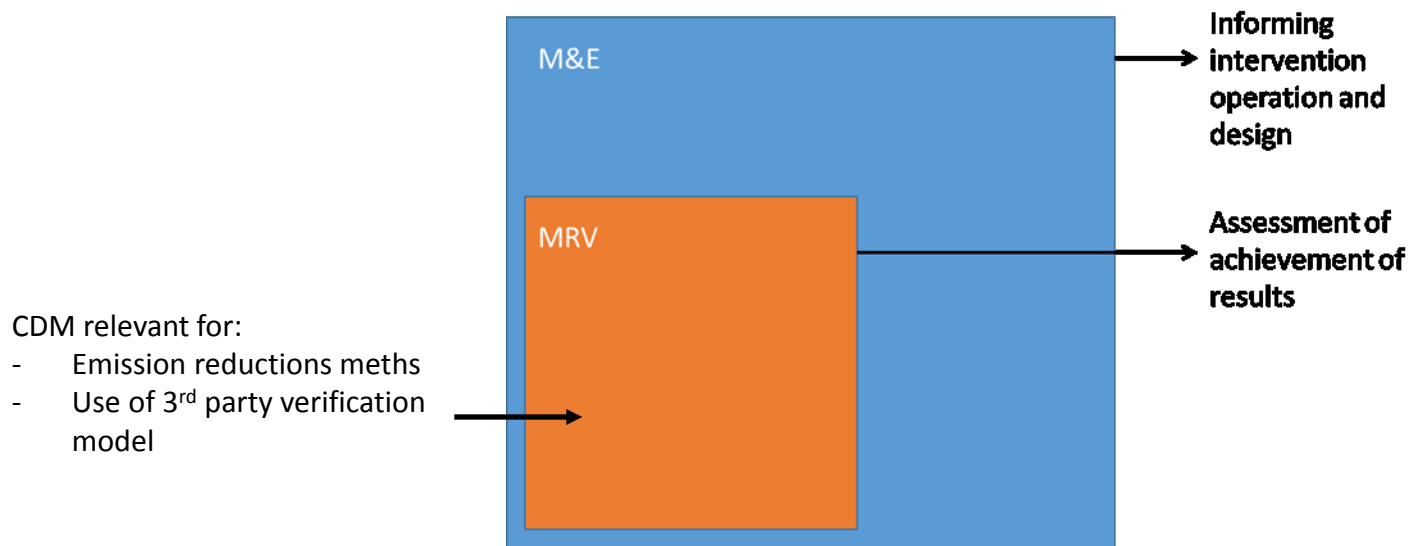
Many forms of climate finance; many objectives



M&E in Climate Finance

	Structure	Typical M&E Approach
Upfront Payment	<ul style="list-style-type: none">• Upfront payment against pre-defined theory of change• Linked to specific <i>input</i> requirements required to produce <i>outputs</i> with the intention to generate <i>outcomes</i>	<ul style="list-style-type: none">• Traditional theory based evaluation: assessment against variety of pre-determined quantitative and qualitative indicators• Did the project meet targets? (informative only)
Milestone Payments	<ul style="list-style-type: none">• Payments made for achievement of pre-defined milestones (qualitative or quantitative)• Can involve payment ex-ante or ex-post	<ul style="list-style-type: none">• Less strictly defined indicators• Specific and broad indicators of success• Often assess value for money
Results Based Finance	<ul style="list-style-type: none">• Payments made for achievement of pre-defined, specific, quantitative results• Typically ex-ante payment	<ul style="list-style-type: none">• No strong precedents• Would logically be linked to quantitative MRV• Independent verification?

Applying M&E and/or MRV in climate finance



Mixed approach required

Private finance monitoring is very different:

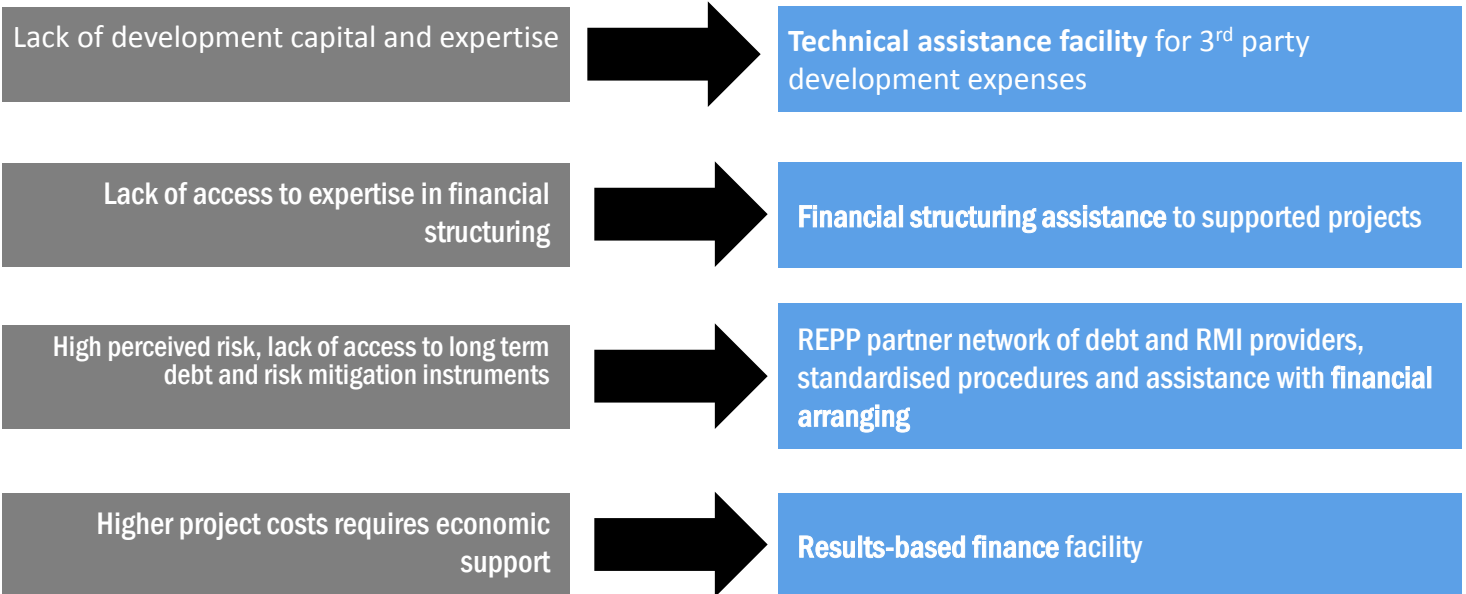
- Looks mainly at repayment-related indicators
- Takes a more traditional sampling/audit approach
- Non-private finance needs to understand and allow for this if they want the “private sector” to provide “finance”

Example



Renewable Energy Performance Platform

Support facility for renewable energy projects up to 25MW in sub-Saharan Africa



Initiated by



European
Investment
Bank

Funded by



Department
of Energy &
Climate Change



UKaid
from the British people

Managed by



camco
clean energy

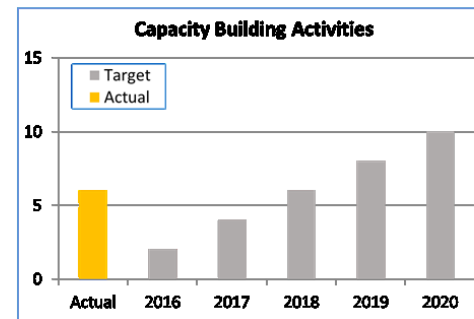
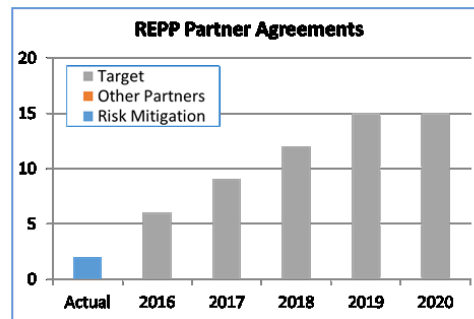
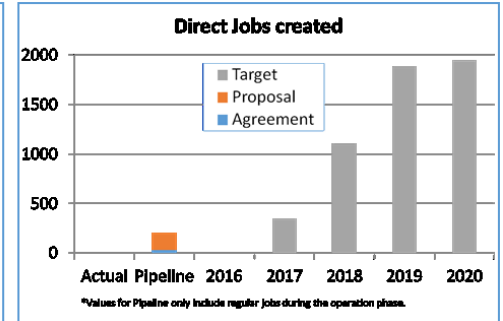
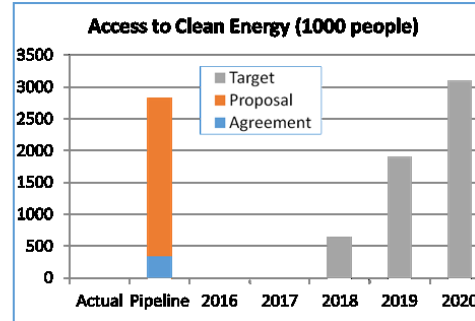
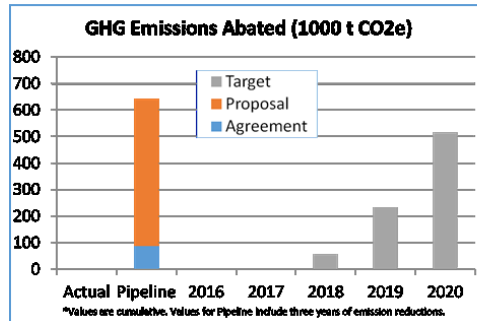
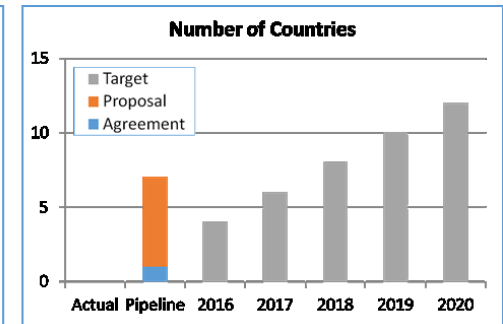
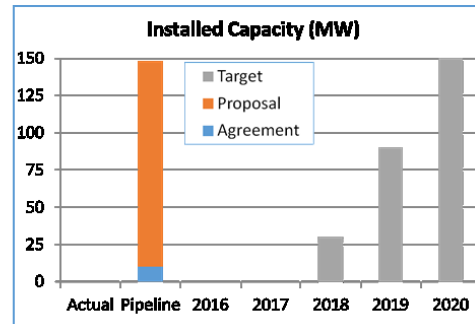
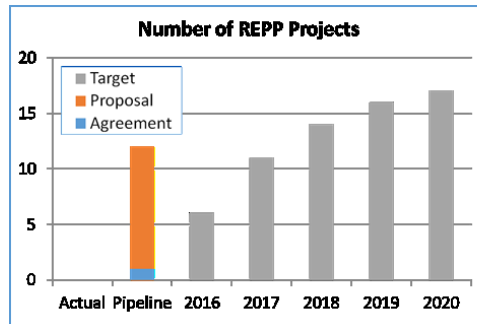
GreenStream

Initial target countries*



*Other non-DAC 4 countries may be considered

REPP objectives



Applying CDM

- A variety of tools are needed
- Currently, emission reductions tend to be “estimated” only (MWh*GEF)
- CDM could be useful if streamlined, more certain on timing, cheaper and quicker
 - Cost/Benefit of varying levels of certainty