

Management Response & Recommendations Action Plan

Evaluation Report Title: ICF Portfolio Evaluation 1 – Integration of ICF

Response to Evaluation Report (overarching narrative)

In commissioning this evaluation, we were keen to understand better the progress made in integrating International Climate Finance across DFID's programming, as a vehicle for comprehensive and embedded climate mainstreaming across DFID.

The goal of climate mainstreaming is to make DFID's support more climate resilient and cleaner, supporting those in poverty to adapt to climate changes and deal with climate shocks, and to access clean energy. Climate change is one of the greatest challenges faced in growth and development. Tackling this is vital for achieving the Sustainable Development Goals, and the landmark UNFCCC Paris Agreement. It is estimated that without rapid, inclusive and climate-informed development, more than 100 million people are at risk of being pushed into poverty by climate change by 2030.¹

The organisational change required for climate mainstreaming is complex and we are pleased this evaluation found evidence of ICF integration leading to DFID transformation. The report has also provided evidence on the factors that are likely to influence the success of mainstreaming, such as the clarity of communication across DFID's network, the visibility of support from senior management, and consistent availability of climate expertise. The evaluation also collated a number of valuable insights from programme leads and advisers working on integrating climate issues across DFID.

The evaluation team has worked closely with HMG throughout the process, not only through data collection, but also through engagement with the Evaluation Steering Group. DFID are pleased with the methodological rigour of this evaluation. We have taken into consideration the limitations as outlined in the report by the evaluation team. However we judge that not all of the recommendations have been made with a full understanding of DFID's working context and operational model. Our responses to the recommendations are detailed below.

¹ In a pessimistic scenario – i.e. high greenhouse gas emissions (RCP8.5) and a world of high inequality (SSP4)] Hallegatte, S et al (2015) "[Shock waves: managing the impacts of climate change on poverty](#)", Washington, D.C., World Bank Group. See summary in Annex 1.

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Recommendations	Accepted or Rejected	If “Accepted”, Action plan for Implementation or if “Rejected”, Reason for Rejection
<p>1. Programme teams are motivated to integrate ICF when there are strong messages from the head of office, including targets. Although there were strong messages in the past this seems to have a lower priority now.</p> <p>We recommend that the DFID ICF team should work with heads of office to encourage them to communicate the importance of integrating ICF within their programmes. The DFID ICF team should support heads of office in setting appropriate targets for the integration of ICF in their programming.</p>	Partially accept	<p>We agree that a key priority should be clear communication within DFID and from senior managers (including heads of office) on the importance of delivering climate-smart development. We accept this part of the recommendation, and a Director General has taken on the role of climate change champion in DFID which is increasing the visible leadership on the issue within the organisation.</p> <p>We do not agree that each head of office should be asked to set targets for ICF programming. The quality and relevance of climate action is paramount and, though we understand the attractiveness of setting ICF targets, we regard it as a blunt instrument that risks undermining the ultimate goal.</p> <p>DFID climate change leads will continue to find ways to support teams in understanding climate risks and opportunities relevant to their programming, and identifying relevant activities to address these in line with central guidance.</p>
<p>2. Integration of ICF provides an opportunity to include additional actions in programmes to address climate change risks and opportunities.</p> <p>To make the most of this opportunity we recommend that the requirement to follow the Climate and Environment Smart Guide should be checked during the approval process. Where programmes plan to include the adaptation or mitigation benefits in the logframe at a later date this should be followed up to check that it has been done.</p>	Reject	<p>These specific process-based recommendations do not align with the ways that DFID approves and manages its programmes. These hold the Senior Responsible Owner accountable for quality and compliance with the Smart Rules and guidance. We will not be introducing a new additional check process as proposed.</p> <p>If a programme has chosen to use ICF, the programme team will be contacted near the start of each year to report against ICF Key Performance Indicators (KPIs), which provides a prompt to reconsider logframe indicators.</p>

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<p>3. ICF integration helps to secure the delivery of adaptation and/or mitigation benefits through the inclusion of the planned benefits in the logframe; however, there are cases where the indicators do not accurately reflect the planned benefits.</p> <p>We recommend that further guidance is given to programme teams on how indicators can be constructed to most effectively reflect the planned benefits. This should be reviewed by the climate advisor as part of the programme design process.</p>	<p>Partially accept</p>	<p>We note the potential value in using additional climate indicators, beyond the KPIs, to monitor climate programmes.</p> <p>We completed an internal review of the approach to monitoring ICF results in 2018. Based on the review findings, we agreed a set of recommendations that aim to:</p> <ul style="list-style-type: none"> - increase the uptake and quality of KPI reporting - provide more support and flexibility to programmes to monitor programme-specific climate benefits - help to manage performance and encourage learning at the programme level. <p>So far, through our Monitoring, Evaluation and Learning for the ICF Programme, we have improved KPI guidance notes to make them easier to use. We have plans to carry out further work identified through the review, including more guidance on the use of climate indicators that goes beyond the ICF KPIs.</p> <p>We are also exploring what technical assistance could be made available to programme teams across DFID to support the integration of climate finance and mainstreaming of climate issues, in line with central guidance - including the design and use of climate indicators. DFID also has guidance in the form of a Smart Guide on the logframe which programmes can use to inform their logframe design.</p> <p>However, as outlined above, it is the Senior Responsible Owner of a programme who is accountable for ensuring that they are reporting against appropriate indicators in line with the Smart Rules. We are partially accepting this recommendation as we are not proposing a mandatory check by a climate and environment advisor is included as part of programme development in the future.</p>
<p>4. The benefits of indicators (identified above) are less likely to be secured because the current system of reporting ICF indicators is cumbersome and allows consideration of the adaptation and/or mitigation benefits to be “outsourced” to the climate advisor.</p> <p>We recommend that the DFID ICF team considers whether reporting separately to the ICF Secretariat is</p>	<p>Reject</p>	<p>We will not be ending the yearly cycle of collecting ICF results, which is important to understand developments in the portfolio and allow us to communicate results. It is not unusual that programmes have to report results centrally so DFID can have a full understanding of the outcomes of DFID-wide (or in this case cross-HMG) progress against specific goals. The SROs of DFID's programmes receive a commission for ICF results once a year in March, and twice a year for DFID's results against its Single Department Plan (SDP). The ICF central commissioning team work closely with the SDP results team to align protocols and processes where possible, and so streamline efforts.</p>

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<p>necessary if planned benefits are included in the logframe and, if it is necessary, reviewing the system to reduce the reporting burden.</p>		<p>As noted in the previous entry, a number of steps are being taken to assist spending teams with providing high quality returns.</p>
<p>5. Climate advisors (or other climate experts) are crucial to widespread integration of ICF and their influence is most effective when they are present in the local office. Some offices are choosing to dispense with climate advisors.</p> <p>We recommend that the DFID ICF team works with the Head of the Climate and Environment Profession to make the case for all offices to have climate advisors in house.</p>	<p>Partially accept</p>	<p>DFID's climate and environment advisors are technical experts who play a vital role in the design and delivery of programmes, and in identifying climate issues and opportunities. Climate and environment advisory capacity will continue to play an important role in our response to climate change.</p> <p>However, we judge that for climate mainstreaming to be successful, the skills of other staff also need to be considered. For example, the level of climate skills of staff in several advisory cadres (e.g. livelihoods, infrastructure, economics) is very important. It is, of course, vital that teams are appropriately staffed to be able to understand climate risks and opportunities and to act on these, and DFID's Climate and Environment Department is already working with DFID's Head of Profession for Climate and Environment to promote capability on climate change across the board. However, this will not specifically include a universal recommendation that all DFID country offices have a climate and environment advisor.</p>
<p>6. Where sectors have a relatively high level of integration of ICF and mainstreaming of climate change they draw on evidence of past successful programmes some of which received additional funding for mainstreaming from outside the office or department budget.</p> <p>We recommend that consideration is given to providing funding in addition to office or department budgets to support innovative approaches to mainstreaming, particularly in sectors that have a relatively low level of integration of ICF.</p>	<p>Reject</p>	<p>DFID does not intend to reintroduce a separate resource allocation process for ICF funding at this time.</p>

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<p>7. The perception that integrated ICF does not represent extra money for programmes is an obstacle to greater levels of integration.</p> <p>We recommend that the position is communicated clearly throughout DFID. The DFID ICF team should provide guidance and support to heads of office and department to help them to ensure they contribute to the UK's commitments to include ICF within their programming.</p>	Partially accept	<p>Climate change is inherently bound up with development and without faster progress on reducing emissions and managing the impact of climate change already locked in, it will be very difficult to achieve the Sustainable Development Goals. We have partially accepted this recommendation as DFID needs to ensure that staff have a good understanding of climate change and how to think about the issues in designing programmes – and how to target related benefits.</p> <p>However, this should be building awareness both of tackling climate change as part of a strong development approach, and of the UK's climate finance ambitions, rather than focussing on the finance alone.</p>
<p>8. Suggestions were made by participants in this evaluation for changes to DFID's processes which would increase the extent of integration. These were: including a question about integration on the Business Case template, and having regular office meetings where planned programmes are presented to the whole team.</p> <p>We recommend that these suggestions are considered and, if appropriate, implemented.</p>	Accept	<p>These recommendations have been noted and we will certainly consider potential changes and the likely impact.</p> <p>For example, we are considering ways to identify smart and effective uses of DFID's corporate processes to support ICF integration and climate mainstreaming. Our approach is to look for meaningful and proportionate changes but, for example, to avoid tick-box or unnecessarily burdensome or bureaucratic changes, which undermine SROs' own responsibilities for considering climate risks and opportunities.</p>