Using realist synthesis to overcome evaluation challenges in the uncertain landscape of carbon finance

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▶ Evaluation Approaches

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Earth-Eval

Evaluation of the UK's Carbon Market Finance Programme (CMFP) implemented through the World Bank's (WB) Carbon Initiative for Development (Ci-Dev)

Approach	• Carbon-funded results-based finance • Readiness grants
Objective	• Support climate change mitigation and poor peoples' access to clean energy and other poverty reducing technologies (12 projects) • Capacity building and carbon-related administrative support
Region	• Least Developed Countries (LDCs) – with a focus on Africa
Methodological Framework	• Clean Development Mechanism (CDM)

Inception Report — 2015

Baseline Report — 2016

First Formative Evaluation — 2017

Mid-term Evaluation — 2019
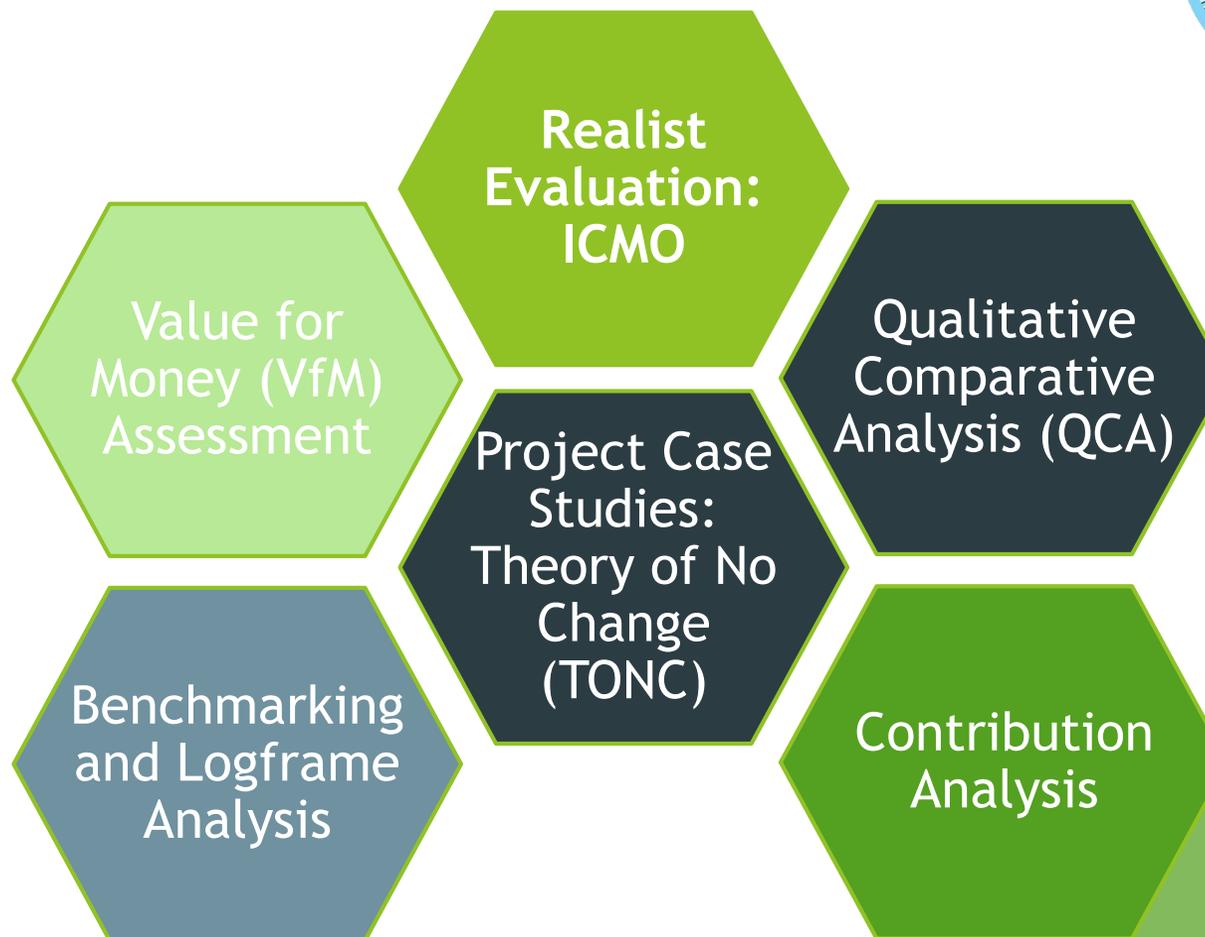
Final Evaluation — 2024

Challenges

▶ Multi-level transformation approach

  ▶ Project level

   ➢ Local energy access markets are unpredictable

   ➢ Diverse project portfolio with various business models

   ➢ Development impact and poverty targeting

  ▶ Programme level

   ➢ Impact of CMFP/Ci-Dev on carbon financing

▶ Uncertain future of the carbon market and ongoing negotiations around Article 6 of the Paris Agreement

▶ Limited data availability and confidentiality
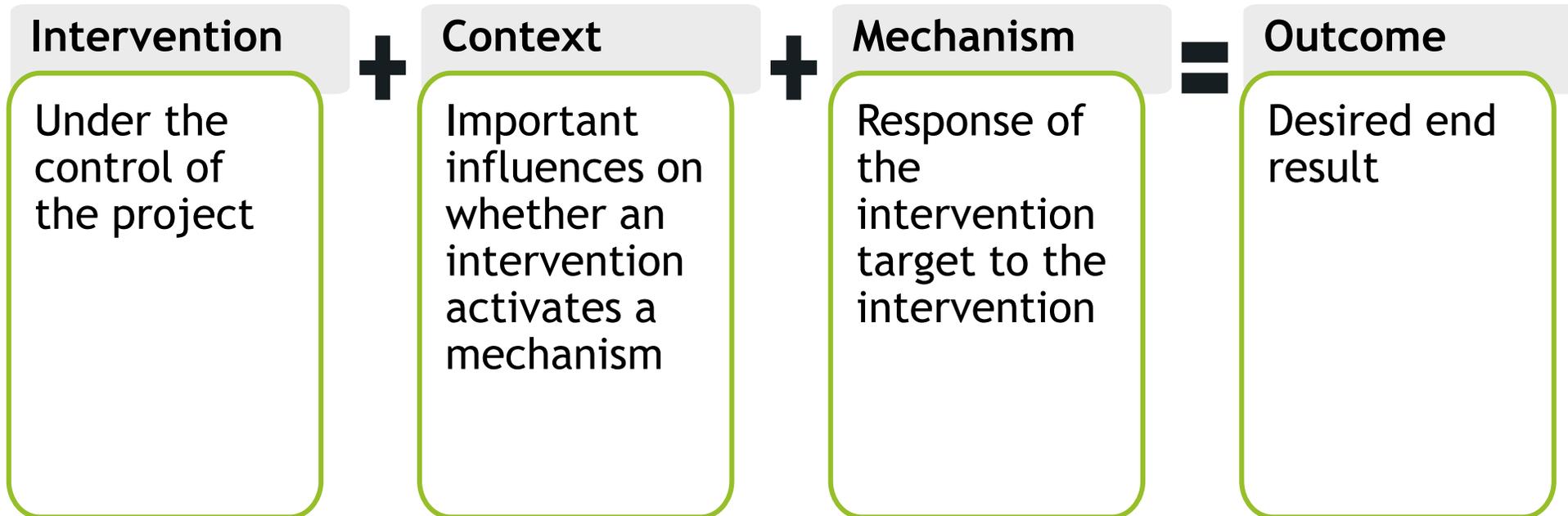
▶ High need for traceability in data

Realist Evaluation Framework

➢ How and why does the project work or not work, for whom and in what circumstances?

Realist Evaluation: ICMO

Value for Money (VfM) Assessment

Qualitative Comparative Analysis (QCA)

Project Case Studies: Theory of No Change (TONC)

Benchmarking and Logframe Analysis

Contribution Analysis

How and why does the project work or not work, for whom and in what circumstances?

Intervention + **Context** + **Mechanism** = **Outcome**

Intervention	Context	Mechanism	Outcome
Under the control of the project	Important influences on whether an intervention activates a mechanism	Response of the intervention target to the intervention	Desired end result

ICMO Development Cycle

Hypothesis Development
- ICMOs developed based on TOC and Literature review

Refining Hypothesis
- Consultations with stakeholders to refine initial ICMOs
- Additional ICMOs developed through consultation (if required)

Testing Hypothesis
- Realist synthesis of collected primary and secondary data
- Additional consultations as required

Revising Hypothesis
- Strengthening original ICMOs with respect to testing and evidence

Development of ICMO statements to address the different levels of transformational change targeted

ICMO 1	Direct results for the carbon market
ICMO 2	Development, impact and poverty targeting
ICMO 3	Barrier removal in local energy access markets
ICMO 4	Market transformation and replication in carbon markets

Analysis of ICMO evidence with 3-stage scoring to increase robustness

➢ how strongly the evidence supports or contradicts ICMO statement

➢ how plausible or verifiable is the evidence

➢ what is the convergence of the data

Case Studies: Theory of No Change

## Market barrier analysis of case study projects based on the Theory of No Change (TONC) by Woerlen et al. (2011)
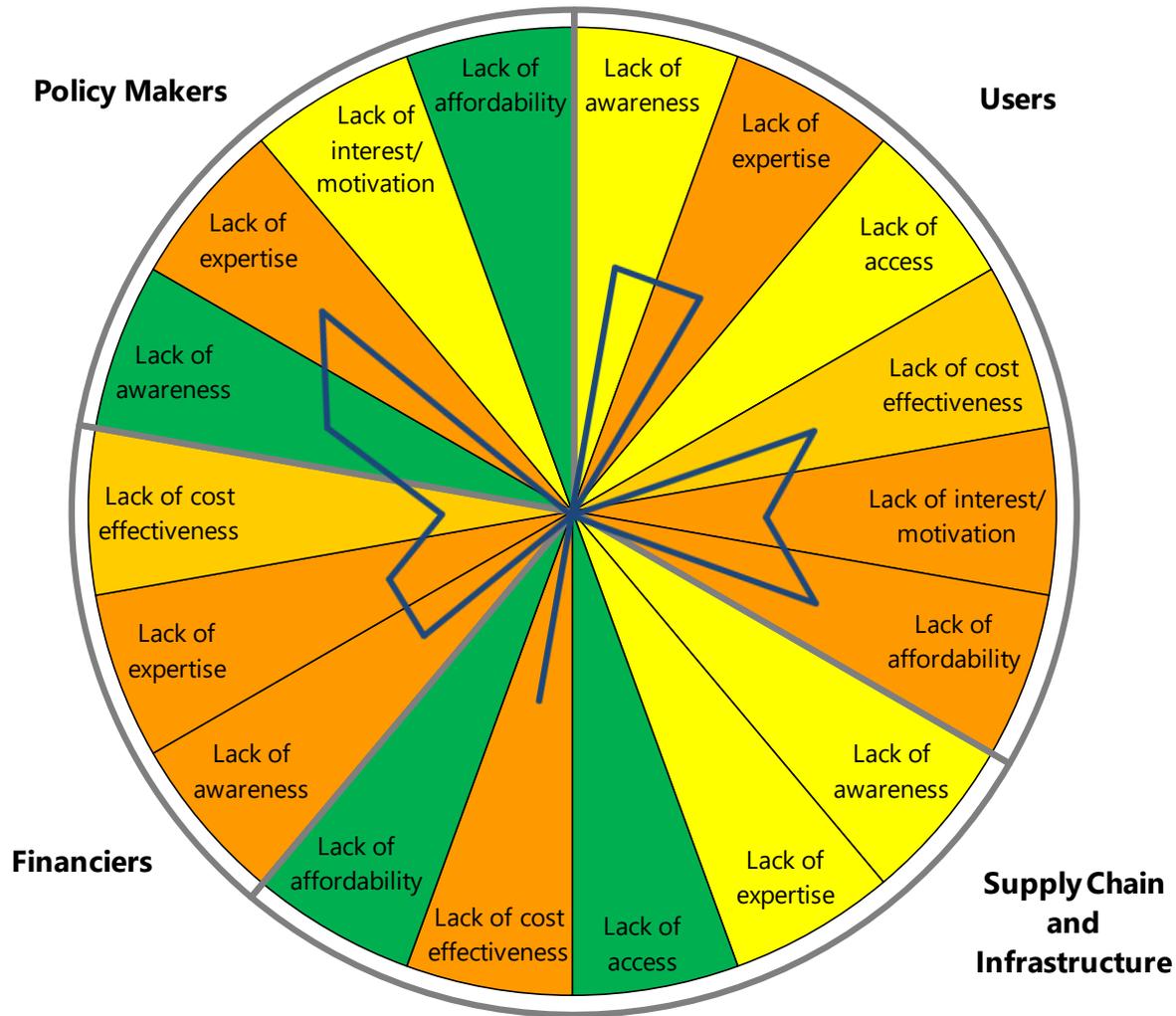
Legend		
0		Barrier non existent
1		Barrier non existent, but potential for change
2		Not a favourable situation, but no significant barrier
3		Not a favourable situation and significant barrier
4		Slowing down the market change significantly
5		Impeding market change
6		Show-stopping barrier

Contribution Analysis

Theory-based approach to confirm that an intervention has a contributary cause to a given outcome

▶ Case study projects

▶ Did the intervention contribute to the outcome?

▶ What is the influence of external factors?
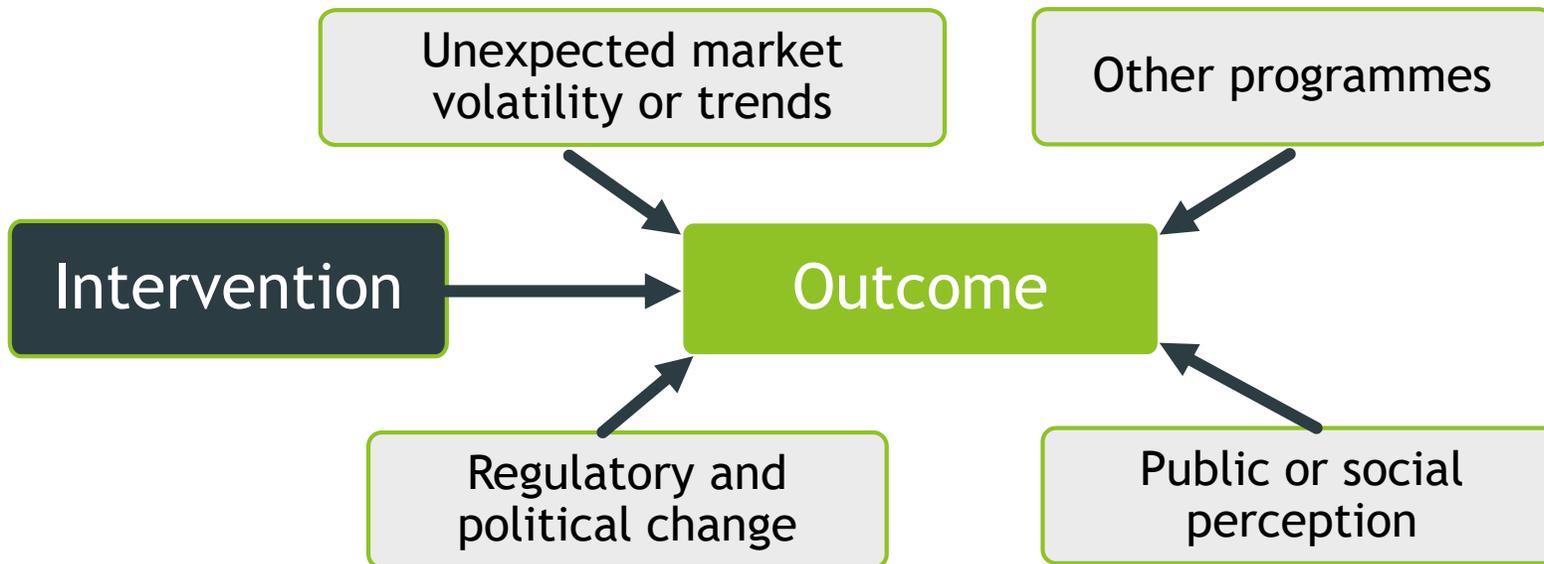
Challenges faced during the application of the Evaluation Framework Approach

▶ ICMOs can constrain creativity. Settling on the "wrong" ICMOs can lock teams into unproductive analysis

▶ ICMOs might appear too linear or too simplistic in very complex contexts

▶ Saturation of evidence in a limited portfolio

▶ Case studies only reflect half of the project portfolio (i.e. biased evidence for ICMO statements)

▶ Limited availability of external literature and data, i.e. for Benchmarking and QCA

▶ Limited explanatory value of VfM and benchmarking due to redefinition of programme expectations