



# EVALUATION DESIGN

FOR EVALUATION SERVICES IN SUPPORT OF  
THE INDONESIA GREEN PROSPERITY GRANT  
FACILITY

Revised Submission: December 21, 2017

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PROSPERITY GRANT FACILITY

**Revised Submission: December 21, 2017**

***Submitted to:***

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## ABBREVIATIONS

<b>ADB</b>	Asian Development Bank
<b>BAU</b>	Business as Usual
<b>BPN</b>	Badan Pertanahan Nasional (National Land Agency)
<b>BRG</b>	Badan Restorasi Gambut (Peatland Restoration Agency)
<b>CBA</b>	Cost Benefit Analysis
<b>CBNRM</b>	Community-based Natural Resources Management
<b>CEA</b>	Cost-effectiveness Analysis
<b>CIF</b>	Climate Investment Fund
<b>CPI</b>	Climate Policy Initiative
<b>CTF</b>	Clean Technology Fund
<b>DPSD</b>	Dedicated Private Sector Programs
<b>EDR</b>	Evaluation Design Report
<b>EMM</b>	EuroConsult Mott McDonald
<b>ERR</b>	Economic Rate of Return
<b>ESP</b>	Environmental and Social Protection
<b>FAO</b>	Food and Agriculture Organization
<b>FDG</b>	Focus Group Discussion
<b>FIP</b>	Forest Investment Program
<b>GAP</b>	Good Agricultural Practices
<b>GAST</b>	Grant Administration Support Team
<b>GHG</b>	Greenhouse Gases
<b>GIZ</b>	Deutsche Gesellschaft für Internationale Zusammenarbeit
<b>GK</b>	Green Knowledge
<b>GoI</b>	Government of Indonesia
<b>GP</b>	Green Prosperity
<b>GPF</b>	Green Prosperity Facility
<b>GPM</b>	Grant Program Manager
<b>ICCTF</b>	Indonesia Climate Change Trust Fund
<b>ICF</b>	International Climate Fund
<b>IEA</b>	Implementing Entity Agreement
<b>IRB</b>	Institutional Review Board
<b>ISH</b>	Independent Smallholder
<b>ISPO</b>	Indonesia Sustainable Palm Oil System
<b>KII</b>	Key Informant Interview
<b>LULUCF</b>	Land Use, Land-use Change and Forestry
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MCA-I</b>	Millennium Challenge Account Indonesia
<b>MCC</b>	Millennium Challenge Corporation
<b>MDB</b>	Multilateral Development Bank
<b>NAMA</b>	Nationally Appropriate Mitigation Action
<b>NICFI</b>	Norway's International Climate and Forest Initiative
<b>NCF</b>	National Climate Fund
<b>NGO</b>	Non-governmental Organization
<b>NRM</b>	Natural Resources Management
<b>NTB</b>	West Nusa Tenggara
<b>NTT</b>	East Nusa Tenggara
<b>ODI</b>	Overseas Development Institute

<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>PDU</b>	Project Delivery Unit
<b>PLN</b>	Perusahaan Listrik Negara (State Electricity Company)
<b>PLUP</b>	Participatory Land Use Planning
<b>PM</b>	Procurement Modernization
<b>PMIS</b>	Project Management Information System
<b>PMC</b>	Project Management Consultant
<b>RE</b>	Renewable Energy
<b>REDD</b>	Reducing Emissions from Deforestation and Forest Degradation
<b>RSPO</b>	Roundtable on Sustainable Palm Oil
<b>SGA</b>	Social and Gender Assessment
<b>SI</b>	Social Impact
<b>SREP</b>	Scaling Up Renewable Energy Program
<b>TAPP</b>	Technical Assistance and Project Preparation
<b>TOPE</b>	Technical Oversight and Project Execution
<b>WEE</b>	Women Economic Empowerment
<b>WRI</b>	World Resources Institute
<b>UNFCC</b>	UN Framework Convention on Climate Change



## 1.0 INTRODUCTION & BACKGROUND

### 1.1 Country Context

Resource-rich Indonesia has boasted striking economic growth in the new millennium, propelling it into middle-income status and reducing the poverty rate by more than half to 10.9 percent in 2016.<sup>1</sup> As part of its plans for sustainable economic growth (with a target of 7% by 2020), Indonesia has committed to using new and renewable energy for at least 23% of their consumption by 2025,<sup>2</sup> and aims to reduce total emissions by 26% from its business as usual (BAU) scenario by 2020 with its own resources, and by 41% with international support.<sup>3</sup> Indonesia's greenhouse gas (GHG) emissions are largely attributable to land use changes, deforestation, and agricultural fires.<sup>4</sup> In 2012, the GHG emissions reached 1.453 GtCO<sub>2</sub>e, resulting from land use change, peat land fires (47.8%) and energy consumption (34.9%).<sup>5</sup>

The Government of Indonesia (GoI) established a directorate for General Energy Efficiency, Conservation, and Renewable Energy in 2010. According to the International Renewable Energy Agency, the Government of Indonesia is aiming for near 100% electrification by 2026, and 10% of the population currently lacks access to electricity.<sup>6</sup>

Land use change is recognized to be the primary contributor to GHG emissions by the Food and Agriculture Organization (FAO) of the United Nations,<sup>7</sup> and this is especially true in Indonesia, as peat and land use, land use change, and forestry (LULUCF)-related emissions are by far the largest contributors to GHG emissions. Emissions from peatland are a unique challenge for Indonesia, as they account for 58% of global emissions from peat decomposition.<sup>8</sup> The Indonesian government issued a decree that prohibits land conversion of peat more than three meters deep, and is supporting efforts geared to fire prevention, peatland rehabilitation, and water management. The majority of land (70%) is administered by the Ministry of Forestry and is classified as conservation, protection, or production forests. The remainder of land, including crop land, is administered by the *Badan Pertanahan Nasional* (BPN), or National Land Agency.

There are many reduced emissions from deforestation and degradation (REDD) activities ongoing in Indonesia, especially since the partnership with the Government of Norway and the GoI established a REDD+ Task Force, later called the REDD+ Agency. Millennium Challenge Corporation's (MCC's) Compact Investment supports GoI goals in reducing GHG emissions through the Green Prosperity (GP) project, which aims to work with local communities to create economic opportunities that alleviate poverty and improve management of natural resources.<sup>9</sup> Along with supporting GoI's development priorities and policies related to reducing GHG emissions, the Millennium Challenge

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<sup>1</sup> The World Bank in Indonesia, Overview, 2017, <http://www.worldbank.org/en/country/indonesia/overview>

<sup>2</sup> Government Regulation No. 79 concerning National Energy Policy, 2014

<sup>3</sup> Millennium Challenge Corporation, *Indonesia Compact Investment*, 2011

<sup>4</sup> U.S. Relations with Indonesia, Fact Sheet, Bureau of East Asian and Pacific Affairs, January 17, 2017, <https://www.state.gov/r/pa/ei/bgn/2748.htm>

<sup>5</sup> First Nationally Determined Contribution. Jakarta: Ministry of Environment, 2016

<sup>6</sup> IRENA, 2017. Renewable Energy Prospect: Indonesia

<sup>7</sup> FAO (Food and Agriculture Organization of the United Nations), FAOSTAT Emissions Database, 2014

<sup>8</sup> Dewan Nasional Perubahan Iklim, Indonesia. *Indonesia's Greenhouse Gas Abatement Cost Curve Analysis*. August 2010

<sup>9</sup> MCC, *Indonesia Compact Investment*, 2011

Account Indonesia (MCA-I) is committed to implementing environmental and social safeguards to minimize potential adverse environmental and social impacts resulting from mitigation activities, as well as meaningfully integrating women and vulnerable groups into mitigation activities.

## 1.2 Objectives of the Report

This design report presents Social Impact's (SI's) approach to evaluating the design, effectiveness, and sustainability of the Green Prosperity Facility (GPF), as well as generating lessons learned from the GPF and its grant portfolios. This design report is informed by a desk review and a project evaluability assessment completed by two members of the evaluation team in Jakarta. The design report outlines the design for the evaluation and SI's approach to answering each of the evaluation questions. Per MCC requirements, SI has updated the design report to reflect the design as implemented throughout the data collection period. Section 2 of this report has remained largely unchanged since the draft submission, and changes in the evolution of GPF over time will be explored further in the draft and final evaluation reports.

The report is organized as follows: Section 2 presents an overview of the Compact and the GPF interventions, including brief summaries of intended beneficiaries and geographic coverage, as well as the theory of change. Section 3 presents the evaluation design, including SI's methodological approach and data collection strategies for assessing implementation fidelity and the other questions related to effectiveness, sustainability, successes, and lessons learned. Section 4 summarizes the administrative steps that SI will take to ensure that the evaluation meets ethical and quality standards, and describes the evaluation team and the timeline for the evaluation. Changes to the original design are detailed in Section 6.4.

## 2.0 OVERVIEW OF THE COMPACT AND THE INTERVENTIONS EVALUATED

### 2.1 Overview of the Compact and the Interventions Evaluated

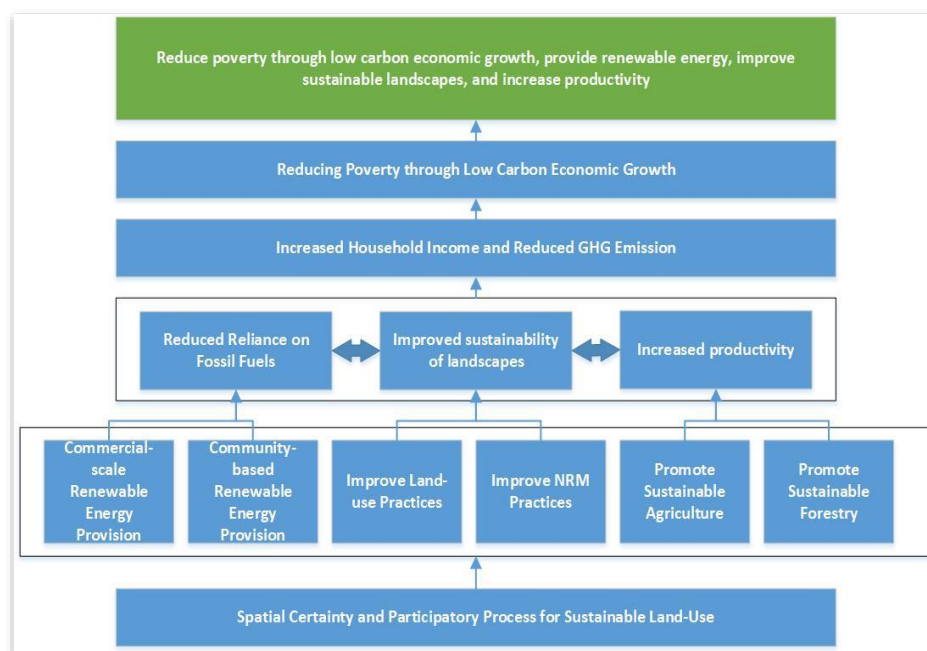
In 2011, MCC entered into a \$600 million, five-year Compact Agreement with the Republic of Indonesia, reflecting its focus on sustainable economic growth. The Compact Program consists of three projects: The Community-Based Health and Nutrition to Reduce Stunting Project (Nutrition), the Procurement Modernization (PM) Project, and the Green Prosperity (GP) Project. The Compact's largest component, the \$332.5 million GP Project, invests in renewable energy and improving land use practices and Natural Resources Management (NRM) as part of the Government's national development strategies to reduce greenhouse gas emissions. Much of this investment occurs through the centerpiece GPF, the compact's grant-making and administration body which funds renewable energy and natural resource management programs.

### 2.2 Theory of Change

The GP Project was designed to promote environmentally sustainable, low carbon economic growth consistent with the GOI's development and climate change strategies.<sup>10</sup> Through a combination of technical assistance, grants, and commercial financing, GP sought to help communities improve land management practices and design and implement economic development activities that enhance livelihoods and protect critical ecosystem services. More broadly, GP aimed to help foster greater, greener, and smarter outside investment in Indonesia by improving the basis by which land use decisions are made and creating incentives for increased deployment of cleaner technologies.<sup>11</sup>

The GPF was the centerpiece of the GP Project – a funding facility designed to finance investments in commercial scale and community-based renewable energy (less than 10MW), sustainable NRM, and community-based NRM projects to promote sustainable landscapes and land use practices.

**FIGURE 1: ORIGINAL GP LOGICAL FRAMEWORK**



<sup>10</sup> Including the National Midterm Development Plan, the National Greenhouse Gas Emission Reduction Action Plan (RANGRK), and the Regional Spatial Plans (RTRW)

<sup>11</sup> Investment Memorandum on Government of The Republic of Indonesia Proposed Compact, August 2011

The Facility was designed to be complemented by the Participatory Land Use Planning (PLUP) Activity and the Green Knowledge (GK) Activity. GP can be represented through the initial logical framework presented in Figure 1.

Because there was no original economic model or Economic Rate of Return (ERR) for the GP Project, activities, outputs, and outcomes were not linked to a specific model. Rather, PLUP was intended to provide a foundation and spatial certainty for grants, which would later be implemented in areas which had achieved spatial certainty. GK would then aggregate learning across the grants and PLUP to inform policy and document knowledge gained from GP. The 10% ERR requirement would be calculated and required for each of the grants, rather than for GP as a whole.

The GP project design evolved significantly over time. This design evolution will be further documented through the evaluation itself, but a number of those changes affected the project logic. Due to the delays in implementation, the change in mechanism (from issuing both loans and grants to only issuing grants), differences in the regulatory environment, staffing and management changes, and the need to disburse funds prior to the end of the 5-year Compact, adjustments were made to the progression and content of many grants and activities.

PLUP and GK were later implemented in parallel with and concurrently to the Facility grants. Contextual changes due to current events and national regulations provided for new opportunities in the areas of Peatland restoration and social forestry; and certain sectoral portfolios began to emerge holistically from the Windows. These included:

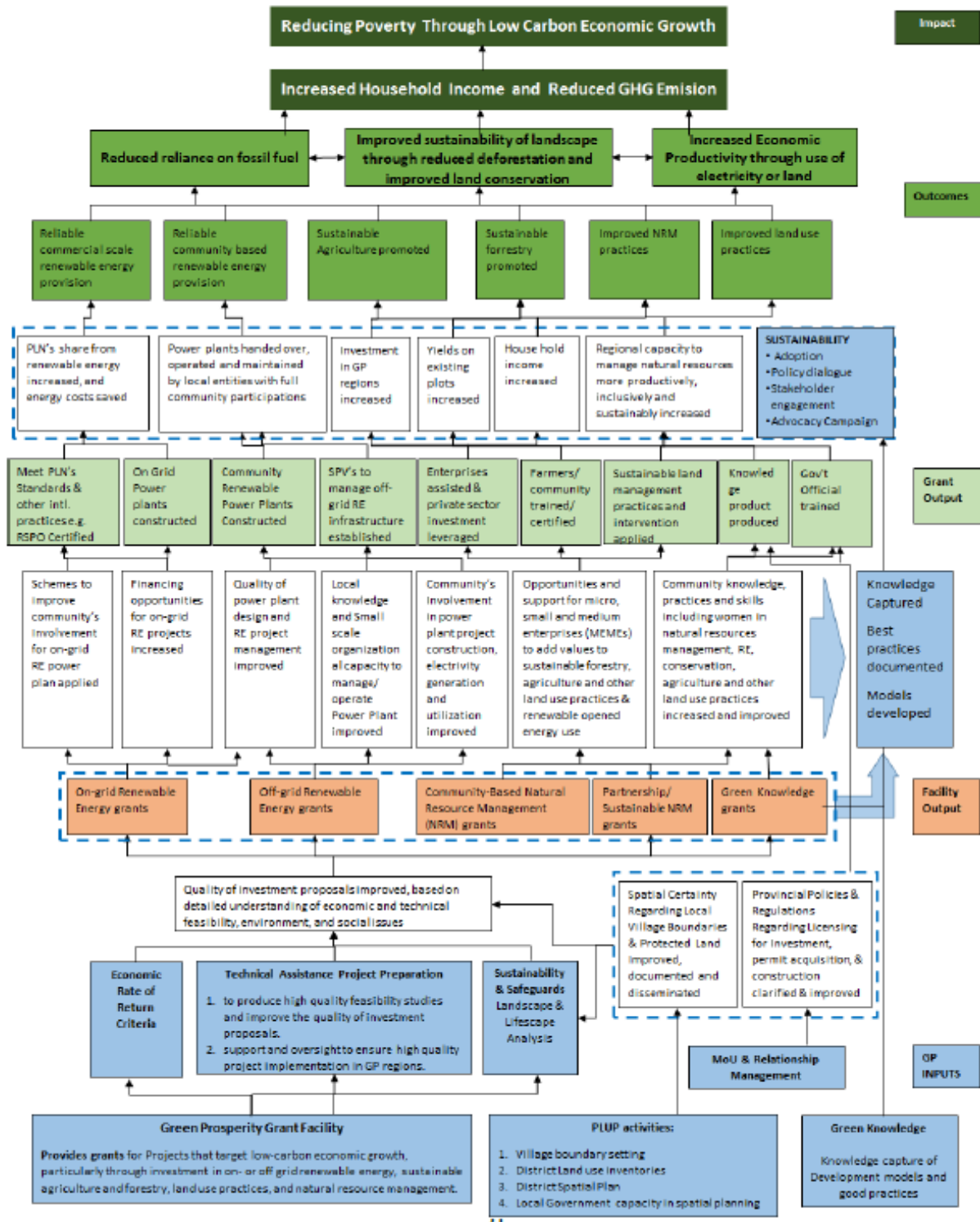
1. Natural Resources Management, which includes Sustainable Agriculture; Peatland restoration; and Social Forestry;
2. Renewable Energy, which includes: (1) Community/Off-Grid Renewable Energy; (2) Commercial scale/On-grid RE.

The project logic was revised in 2016 to provide additional detail and to better reflect the implementing reality, and can be visualized in Figure 2:<sup>12</sup>

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<sup>12</sup> Source: MCA Monitoring and Evaluation Plan, July 2017.

FIGURE 2: REVISED GPF LOGICAL FRAMEWORK



## 2.3 GP Grant Description

The portfolio of grants was fully awarded by July 2017, and is organized into five funding windows:

- Window 1 (Partnership Grants): These grants leverage private sector or other outside funding to promote increased investment in sustainable NRM and improved land-use practices in either targeted landscapes or targeted agricultural value chains. All partnership grants required co-funding by the partner on at least a 1:1 basis, with preference given to Partnerships committing a higher share of co-funding.<sup>13</sup>
- Window 2 (Community-based Natural Resources Management (CBNRM)): These grants fund smaller-scale, community-based projects that promote enhanced management of watersheds and forests to improve the sustainability of renewable energy (RE) and/or agriculture investments, and support rural livelihoods and economic development that result in reduced greenhouse gas emissions.
- Window 3 (RE): These grants fund community-based off-grid (3A) and commercial-scale on-grid (3B) renewable energy projects.
- Technical Assistance and Project Preparation (TAPP): These grants fund studies (environmental, social, feasibility) and technical assistance to enhance the quality of the projects in Windows 1 and 3 in order to reach the quality required for grant approval.
- GK: These grants build local, provincial, and national capacity to drive forward Indonesia's nation-wide low carbon development strategy within the context of the GP Project.

The grants awarded under the GPF are implemented across 14 provinces in Indonesia: Riau, Jambi, West Sumatra, Bengkulu, South Sumatra, West Sulawesi, South Sulawesi, Southeast Sulawesi, Gorontalo, West Kalimantan, East Kalimantan, North Kalimantan, West Nusa Tenggara (NTB), and East Nusa Tenggara (NTT). As implementation progressed, grants were further organized into a range of portfolios, including:

**TABLE 1: GRANT PORTFOLIOS**

### **Sustainable Agriculture**

The relevant partnership grants are funding smallholder farmer training programs for cocoa, coffee, and palm oil to encourage sustainable agriculture practices and improve yields, which are expected to increase carbon sequestration and ultimately discourage further deforestation that would negatively impact GHG emissions. The commercial (on-grid) renewable energy grants in this portfolio that are investing in capturing the methane resulting from palm oil production also include a component that is intended to support palm oil mills and their independent smallholder (ISH) supply base to get on the path to becoming integrated in internationally recognized certified sustainable supply chains, such as the Roundtable on Sustainable Palm Oil (RSPO), as well as compliance with Indonesian requirements, the Indonesian Sustainable Palm Oil (ISPO) standard. As part of the "path" to certification, these ISH support programs will encourage sustainable practices, improve yields and assist them in broadening the market to increase their income and to comply with the sustainable development strategy and GoI priorities. The cocoa projects aim to promote certification and allow ISH cocoa producers access to market premiums. They also aim to increase productivity, incorporate agro-forestry, adopt Good Agricultural Practices (GAP), and support traceable supply chains. Sustainable agriculture is also a component for various products supported with Window 2 grants.

<sup>13</sup> EOI for GP Grant Partnerships, page 7

**Peatland**

In line with the GoI policy to conduct peatland restoration through the Peatland Restoration Agency, GP contributes to this effort through the funding of multiple grants. The objective of these projects is to reduce GHG emissions from peatland degradation through peatland restoration activities or encouraging appropriate forms of peatland cultivation. The grants will also target low carbon economic growth and avoidance of deforestation by working with smallholders in the surrounding areas to improve agricultural practices. In March 2016 an agreement of \$4 million was signed to form an Implementing Entity Agreement (IEA) with the Peatland Restoration Agency (BRG). Among other activities, the project will provide BRG with peatland hydrological mapping in areas bordering Berbak National Park, one of Southeast Asia's largest remaining peatland areas, and in West Kalimantan.

**Social Forestry**

Social Forestry projects will be implemented through the CBNRM grants. The projects will include the promotion and strengthening of different types of social forestry in Indonesia, which encompasses community forestry (*Hutan Kemasyarakatan*), people's forests (*Hutan Rakyat*), customary forests (*Hutan Adat*), village forests (*Hutan Desa*), partnership forests (*Huta Kemitraan*), and people's timber plantations (*Hutan Tanaman Rakyat*). The objective of these projects is to increase community income and emissions reduction through community-based forest management, rehabilitation of degraded land with agroforestry, community-based economic model development in natural resource management, capacity building, and institutional strengthening.

**Women's Economic Empowerment (WEE)**

These grants are funded by Social and Gender resources and specifically aim to strengthen the capacity of women's organizations in the low carbon development path, while also improving women's income and household nutrition security. They were signed with women-owned organizations. These grants technically fit under the other thematic portfolios but are being noted separately due to their unique goal of women's empowerment.

**Community/Off-grid RE**

These grants will fund community-based off-grid renewable energy projects (less than 3MW) to bring electricity and other forms of energy produced from renewable sources to communities that are not connected to the national grid. The expectation is that use of fossil fuels for energy will be displaced by these interventions and therefore GHG emissions will be reduced and/or avoided. The provision of electricity is also expected to support economic activity. The off-grid RE programs from Window 3A employ a unique component related to community ownership through a special purpose vehicle to manage the power plant with majority share (minimum 51%) owned by the community. Other off-grid RE programs have been funded through Window 2 and do not include the same ownership structure. These grants were intended to revitalize or build new off-grid RE systems utilizing small scale RE, such as hydro-based, solar, and biomass technology.

**Commercial-scale/On-grid RE**

These grants will provide viability gap financing for commercial-scale renewable energy projects (less than 10MW) that will sell electricity to the national grid, operated by the Perusahaan Listrik Negara (PLN). These investments will increase the overall share of electricity produced from renewable sources. Eleven on-grid RE grants have been signed, though one has withdrawn, leaving 10 active grants. At the time of this report, many of the grants were in the process of being terminated, and it is expected that only 3-5 grants will remain active. Each of these grants includes a community benefit sharing component such that communities adjacent to the power generation site may also benefit from the enterprise.

**Ecotourism, fisheries etc.**

Other intervention types such as ecotourism and fisheries projects, were expected to emerge from CBNRM grants, though one ecotourism-related grant was already signed under Window 1. In addition to providing livelihoods for local community, this portfolio aimed to protect forest areas and land from degradation. However, this portfolio hasn't fully materialized, so will not be studied under this evaluation.



## 2.4 Status of Implementation to Date

The GPF began awarding grants in March 2015, and has since awarded 92 grants (including TAPP grants) totaling over \$170 million, with the full portfolio of grants awarded by July 2017. At the time of EDR submission, SI had learned of several grants that had been terminated early, so the final totals will be lower than the total of awarded grants, with a summary of grants that awarded vs. completed grants to appear in the evaluation report. The GPF underwent significant evolution, as evidenced by the revised logical framework shown in Figure 2. The first year of GP saw a slow start for the GPF, largely linked to the slow onboarding of MCA-I staff, and legal issues with establishing the GPF and disbursing funds, and a need to align expectations regarding desired outcomes and processes to achieve those outcomes. Originally, the GPF was intended to provide grants for small-scale renewable energy technology or improved natural resource management, as well as loans for large-scale renewable energy financing. However, this approach encountered legal issues related to Government Regulation PP20/2011, which limits government entities from engaging in financial lending unless the entity is a local government or state-owned enterprise. This led to extensive discussion between MCA-I and the GoI, culminating in the decision to issue only grants so as not to delay disbursement of funds and implementation. These delays ultimately affected the project logic, as the intended sequencing of activities did not occur; rather, the activities were overlapping or happening concurrently, and did not feed into one another to the extent originally envisioned.

The vision for the grant portfolio also shifted significantly as the GPF design evolved. Originally, the GPF intended to partake in five to eight grant partnerships with a GPF contribution of \$5-10 million each over the life of the Compact, as well as a small grants program to support community development programs that enhance the outcomes of the larger grants.<sup>14</sup> As the design evolved and MCA-I became more familiar with the requirements and steps involved with grantmaking, the GPF began channeling grants through Windows, and later portfolios. The Partnership Grant Window (Window 1) was the first to release a call for proposals in April 2014, and selected two consortia in March 2015 to implement grants supporting sustainable cocoa agriculture. Through the rest of 2015 and through April 2016, the GPF made a significant shift from grant maker to grant administrator, with \$75 million in natural resource management and renewable energy grants awarded through Windows 1 and 3. GK grants, totaling \$14.5 million, were also awarded in that year. The Window 2 grants were awarded in the summer of 2016, followed by remaining Window 3 grants in early 2017.

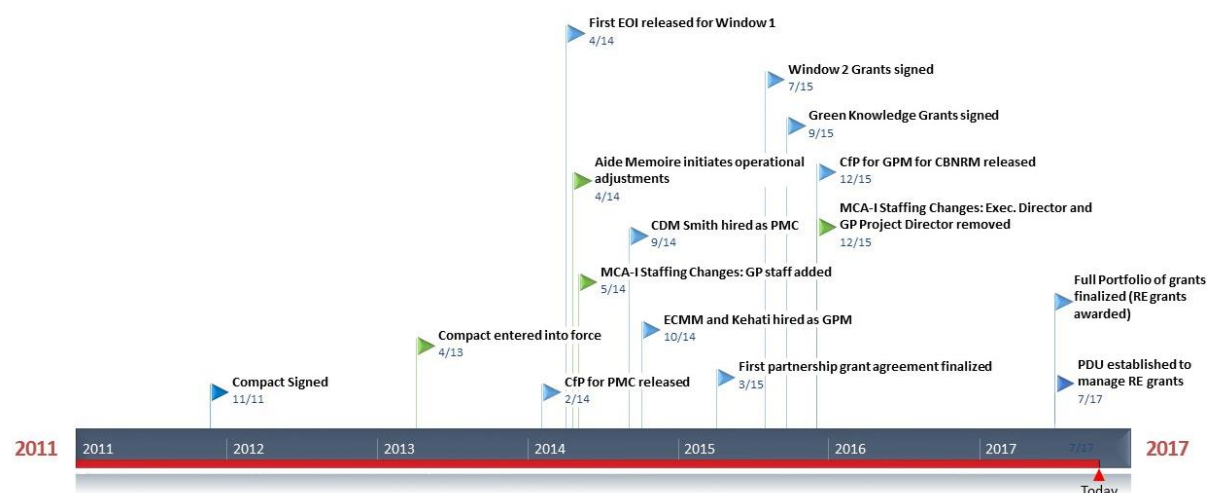
As the GPF shifted into implementation mode, the structure of the team shifted as well. MCA-I brought on a Project Management Consultant (PMC), CDM Smith, in September 2014 to provide program management support for Facility operations and grant administration services for Windows 1 and 3, as well as GK. As grants move into the construction phase, MCA-I also leverages Technical Oversight and Project Execution (TOPE) consultants. EuroConsult Mott McDonald (EMM) and Kehati act as the Grant Program Managers (GPM), and began managing the Window 2 grants shortly after, from October 2014. TetraTech was hired by MCC to support project implementation oversight for Window 3, and a team of consultants provide oversight for the remaining windows and GK. In July 2017, the Project Delivery Unit (PDU) was established to manage a sub-set of the RE portfolio, prompting a reorganization of GP portfolio management. The figure below summarizes the key events throughout the GP Project, and will be expanded upon through the course of the evaluation.

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<sup>14</sup> *Aide Memoire: Indonesia Compact Implementation Green Prosperity Project*, 2013, pg. 14



**FIGURE 3: GP PROJECT TIMELINE**



One important requirement of the grants is that for those grants fully funded by MCA-I, all activities must be completed by the compact end date in April 2018. In effect, this means that grants fully funded by MCA-I will have between one and three years to implement, which poses a challenge for infrastructure projects that often have longer timelines, as well as for measuring outcome-level results.

## 2.5 Cost Benefit Analysis and Beneficiary Analysis

The types of analyses conducted by the GPF differed somewhat from the typical MCC/MCA cost benefit analysis and beneficiary analysis, due to the nature of the Facility. GPF did not conduct a whole-of-project ERR or cost benefit analysis. Rather, each of the grants were expected to have their own cost-benefit and ERR analysis, which would be considered in the grant award process. The same emphasis on the grant level was expected for beneficiary analysis, with GPF as a whole emphasizing the definition of potential grantee organizations.

As such, GPF conducted a thorough assessment of district readiness in four “starter” districts to assess geographic scope and intended target areas. This assessment, conducted by Abt Associates, incorporated elements related to the problem diagnostic, risk, and other considerations. The results of that assessment, however, did not ultimately become the guiding force for implementation, in part because the geographic scope of GP expanded well beyond those areas; and in part due to the desire to increase the likelihood of awarding grants up to the project value.

Similarly, as the theory of change shifted over time (particularly with the sequential vs. parallel implementation of PLUP), the focal geographic points (and therefore beneficiaries) also shifted somewhat. That stated, grantee and site selection criteria were well defined following the development and implementation of the Operations Manual. It is possible to geographically locate areas expected to benefit from various grants with a reasonable level of precision. Similarly, the M&E plan (developed during the course of implementation) does lay out a specified number of

beneficiaries for project in the 2017 version.<sup>15</sup> That said, these are based on preliminary economic models developed before grants moved into implementation.

A few documents note that the GPF is expected to benefit households and businesses in the targeted GP districts, primarily through expanded renewable energy and improved natural resource management which should result in cost savings, gains in income, and consumer surplus<sup>16</sup>. However, the household beneficiaries and specific businesses are not precisely identified in the program beyond those within the geographic region of interest; and the way in which each grant identified its beneficiaries to conduct its cost-benefit analysis and estimate the ERR may vary (SI does not yet have all of the documents needed to properly assess the validity and comparability of grantees' data). In order to address this lack of overarching Cost Benefit Analysis (CBA) data, this evaluation will both explore the extent to which benefit streams modelled in the CBA for each grant were appropriate and/or realistic; and will further examine cost effectiveness of the GPF as a whole.

## 2.6 Literature Review

As the GPF evaluation is a process evaluation and implementation study, the literature review differs somewhat from that of other types of evaluations. The team has reviewed many project documents to-date to better understand and validate the problem analysis, GPF design, environmental, political and contextual factors, implementation changes, requests for grant proposals, and grant agreements. For the purposes of this design report, we are focusing the literature review on two key areas relevant to the scope of this evaluation: approaches to reduce GHG emissions and grant facility models.

### 2.6.1 EXISTING LITERATURE

There is ample literature offering strategies, frameworks, and tools for identifying and measuring GHG emissions, put forward by a range of organizations from multi-lateral development banks, NGOs, and the private sector, among others. The World Resources Institute (WRI) developed the Greenhouse Gas Protocol Standard alongside the World Business Council for sustainable Development, and the Protocol continues to be the leading international standard for measuring GHG emissions.<sup>17</sup> WRI also developed the GHG Policy and Action Standard to provide a framework of principles, concepts, and procedures to estimate GHG effects and the impacts that reduction-aimed policies and actions may have.<sup>18</sup> Additionally, climate change mitigation and adaptation strategies, or sub-sectors of GHG emissions reduction strategies, have their own methods and frameworks for measuring GHG emissions, which are not necessarily based on the WRI standard, or any uniform standard, for that matter. The Asian Development Bank (ADB) has developed its Guidelines for Estimating GHG Emissions of ADB Projects, with additional guidance for transport projects,<sup>19</sup> the

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<sup>15</sup> This calculation of beneficiaries was conducted by the MCA-I EA team in 2017.

<sup>16</sup> In most cases, it is the willingness to pay that accounts for the majority of the benefit stream.

<sup>17</sup> New Tools Help Businesses Measure Greenhouse Gas Emissions, World Resources Institute, 2017, <http://www.wri.org/our-work/top-outcome/new-tools-help-businesses-measure-greenhouse-gas-emissions>

<sup>18</sup> Greenhouse Gas Protocol Policy and Action Standard, World Resources Institute, 2014, [https://www.wri.org/sites/default/files/Policy\\_and\\_Action\\_Standard.pdf](https://www.wri.org/sites/default/files/Policy_and_Action_Standard.pdf)

<sup>19</sup> Guidelines for Estimating Greenhouse Gas Emissions of Asian Development Bank Projects: Additional Guidance for Transport Projects, Asian Development Bank, 2016, <https://www.adb.org/documents/guidelines-estimating-ghg-emissions-adb-transport-projects>

energy sector,<sup>20</sup> gender,<sup>21</sup> and water and sanitation.<sup>22</sup> Likewise, the FAO has guidelines for estimating GHG emissions in agriculture.<sup>23</sup> Despite the plethora of guidance, though, there are few publicly available studies that compare the effectiveness of strategies for reducing GHG emissions. Furthermore, though guidelines for measurement are widely available, few have been rigorously tested. Therefore, the literature review focuses on the various approaches to reducing GHG emissions, with particular focus on Facility-type models of responding to climate change mitigation needs in Indonesia.

### ***Approaches to Reducing GHG Emissions***

Indonesia has been a signatory to the UN Framework Convention on Climate Change (UNFCCC) since 1994. The Framework highlights that reducing GHG emissions is essential to responding to climate change, and requires actions by countries and individuals alike. At the national level, governments should focus on the large emitting sectors, namely energy and transport, to develop policies and measures that limit GHG emissions and enforce reduction targets. The UNFCCC also highlights the contribution of deforestation on GHG emission, and encourages countries to undertake activities related to reducing emissions from deforestation and forest degradation, conservation of forest carbon stocks, sustainable management of forests, and enhancement of forest carbon stocks.<sup>24</sup> Many countries, including Indonesia, have also developed Nationally Appropriate Mitigation Actions (NAMAs), which lay out implementation plans to reduce emissions and enhance sinks.

Governments have taken a number of different approaches to reducing GHG emissions. At the policy level, the governments can participate in Emissions Trading Schemes (also known as cap-and-trade), which puts a cap on the total emissions that companies are allowed to emit, after which they are required to purchase allowances. These increase costs associated with higher emissions are then absorbed by the company, or passed on to the consumer, which is then intended to decrease demand for GHG emission-intensive forms of energy. The Organization for Economic Co-operation and Development (OECD) asserts that cap-and-trade (or emission trading schemes) provide more certainty around outcomes, but have generated little incentive to undertake structural changes needed to transition to a low-carbon economy.<sup>25</sup>

Another demand-decreasing strategy that is growing in popularity is carbon taxes, though the share of total emissions covered by energy and carbon taxes remains low.<sup>26</sup> These policies place a price on

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<sup>20</sup> Guidelines for Estimating Greenhouse Gas Emissions of ADB Projects: Additional Guidance for Clean Energy Projects, Asian Development Bank, 2017, <https://www.adb.org/documents/guidelines-estimating-ghg-energy-projects>

<sup>21</sup> Training Manual to Support Country-Driven Gender and Climate Change, Asian Development Bank, 2016, <https://www.adb.org/publications/training-manual-country-driven-gender-and-climate-change>

<sup>22</sup> Guidelines for Climate Proofing Investment in the Water Sector, Asian Development Bank, 2015, <https://www.adb.org/sites/default/files/institutional-document/219646/guidelines-climate-proofing-water.pdf>

<sup>23</sup> Estimating Greenhouse Gas Emissions in Agriculture, Food and Agriculture Organization of the United Nations, 2014, <http://www.fao.org/climatechange/41521-0373071b6020a176718f15891d3387559.pdf>

<sup>24</sup> FOCUS: Mitigation - Action on mitigation: Reducing emissions and enhancing sinks, United Nations Framework Convention on Climate Change, <http://unfccc.int/focus/mitigation/items/7171.php>

<sup>25</sup> Climate Change Mitigation: Policies and Progress, OECD, 2015, [http://www.keepeek.com/Digital-Asset-Management/oecd/environment/climate-change-mitigation\\_9789264238787-en#page30](http://www.keepeek.com/Digital-Asset-Management/oecd/environment/climate-change-mitigation_9789264238787-en#page30)

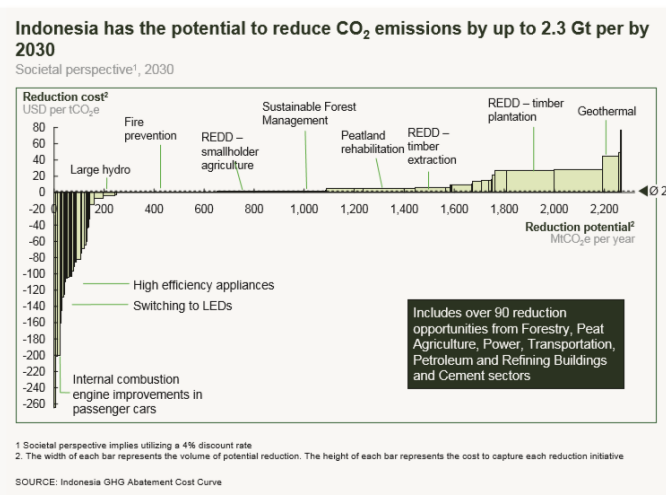
<sup>26</sup> Climate Change Mitigation: Policies and Progress, OECD, 2015, [http://www.keepeek.com/Digital-Asset-Management/oecd/environment/climate-change-mitigation\\_9789264238787-en#page17](http://www.keepeek.com/Digital-Asset-Management/oecd/environment/climate-change-mitigation_9789264238787-en#page17)

GHG emissions, and aim to shift investment and behavior patterns. Indonesia does not currently participate in an emissions trading or a carbon tax scheme.

### Indonesia's GHG Emission Reduction Strategies

Indonesia's emissions from land use and deforestation are higher than all other sources of emissions in the country combined, accounting for 47% of its total GHG emissions,<sup>27</sup> though some estimates place this percentage as high as 85%.<sup>28</sup> The main drivers of deforestation in Indonesia are oil palm plantation monocultures,<sup>29</sup> forest fires, agriculture, forest production, and illegal logging. There are several ongoing studies around peat emissions in Indonesia, but inconsistent measurement practices have resulted in a relatively wide range of estimates of emissions from peat decomposition and fires, with most falling in the range of 0.75 to 1.5 GtCO<sub>2</sub>e.<sup>30</sup>

**FIGURE 4: INDONESIA COST CURVE ANALYSIS**



Indonesia's NAMAs aim to reduce GHG emissions by 29% unconditionally, or up to 41% with support by 2030 through seven key activities:<sup>31</sup>

- a. Sustainable peat land management
- b. Reduction in the rate of deforestation and land degradation
- c. Development of carbon sequestration projects in forestry and agriculture
- d. Promotion of energy efficiency
- e. Development of alternative and renewable energy sources
- f. Reduction in solid and liquid waste
- g. Shifting to low-emission modes of transport

<sup>27</sup> Brown to Green: G20 Transition to a Low Carbon Economy, Climate Transparency, 2016, <http://www.climate-transparency.org/wp-content/uploads/2016/08/Indonesia-2016.pdf>

<sup>28</sup> National Council on Climate Change, 2010

<sup>29</sup> Singh and Bhagwat, 2013

<sup>30</sup> Dewan Nasional Perubahan Iklim, Indonesia. *Indonesia's Greenhouse Gas Abatement Cost Curve Analysis*, August 2010

<sup>31</sup> Compilation of information on nationally appropriate mitigation actions to be implemented by developing country Parties, Framework Convention on Climate Change, 2013, <http://unfccc.int/resource/docs/2013/sbi/eng/inf12r03.pdf>

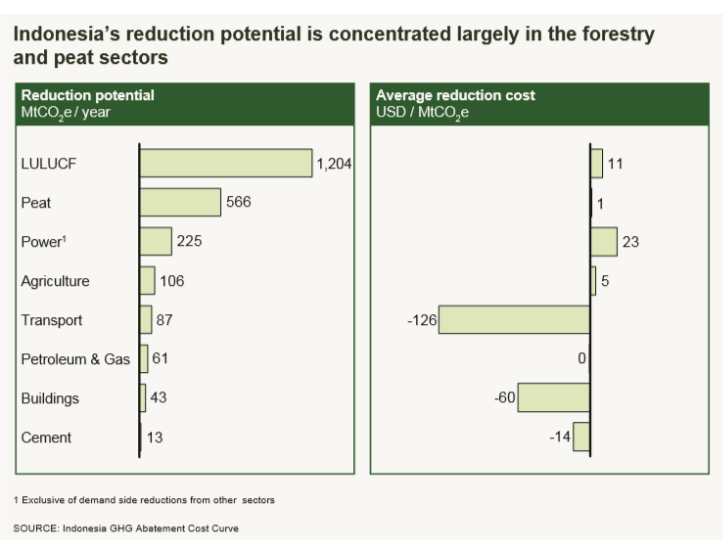
These measures are consistent with UNFCCC recommendations for reducing GHG emissions. Indonesia does continue, though, to subsidize the consumption of fuel and electricity.<sup>32</sup>

The Indonesian National Council on Climate Change commissioned a GHG Abatement Cost Curve Analysis in 2010 to evaluate the potential that different GHG emission reduction initiatives have, as well as estimate and compare the costs involved for each initiative.<sup>33</sup> The GHG Abatement Cost Curve model was developed by McKinsey & Company<sup>34</sup> to serve as a tool for identifying and measuring the reduction actions that are possible within a country. Use of this tool allows for comparison of GHG reduction initiatives *within a country*, as the conditions and technologies available, as well as the potential impacts of different initiatives, will vary country to country. According to the country's cost curve, Indonesia has the potential to reduce CO<sub>2</sub> emissions by up to 2.3 Gt by 2030, with over 75% of the opportunity in LULUCF and peat.

### Grant Facility Models in Indonesia

Climate finance plays a significant role in Indonesia's climate change mitigation and adaptation programming. The Indonesian Ministry of Finance and the Climate Policy Initiative (CPI) estimated in 2011 that international finance supplied approximately \$350 million of the \$950 million in climate funding mobilized in Indonesia.<sup>35</sup> Most domestic public climate funds support "indirect" activities, such as policy development and measurement, whereas international climate funds tend to support "direct" activities to support grants and loans.<sup>36</sup> Appendix 1 shows the flow of climate finance in Indonesia. Though there are many finance mechanisms or facilities in Indonesia, none are directly comparable to the GPF, as they differ in terms of objectives, level of funding, type of funding, minimum duration of grant,

**FIGURE 5: REDUCTION POTENTIAL BY SECTOR**



<sup>32</sup> Climate Change Mitigation: Policies and Progress, OECD, 2015, [http://www.keepeek.com/Digital-Asset-Management/oecd/environment/climate-change-mitigation\\_9789264238787-en#page32](http://www.keepeek.com/Digital-Asset-Management/oecd/environment/climate-change-mitigation_9789264238787-en#page32)

<sup>33</sup> Indonesia's Greenhouse Gas Abatement Cost Curve Analysis, Dewan Nasional Perubahan Iklim, Indonesia, August 2010

<sup>34</sup> Pathways to a Low-Carbon Economy: Version 2 of the Global Greenhouse Gas Abatement Cost Curve, McKinsey & Company, 2009

<sup>35</sup> The Landscape of Public Climate Finance in Indonesia, Executive Summary, Climate Policy Initiative, February 2014, <http://climatepolicyinitiative.org/wp-content/uploads/2014/02/The-Landscape-of-Public-Finance-in-Indonesia-Executive-Summary.pdf>

<sup>36</sup> The Landscape of Public Climate Finance in Indonesia, Executive Summary, Climate Policy Initiative, February 2014, <http://climatepolicyinitiative.org/wp-content/uploads/2014/02/The-Landscape-of-Public-Finance-in-Indonesia-Executive-Summary.pdf>

and parameters. The ones that are most comparable to the GPF are the Clean Technology Fund (CTF), the Climate Investment Fund, and the Indonesia Climate Change Trust Fund (ICCTF).

The major climate funds operating in Indonesia are<sup>37</sup>:

**TABLE 2: CLIMATE FUNDS IN INDONESIA**

Fund Name	Donor or Trustee	Level of Funding	Type of Funding	Sector	Objective
<b>Climate and Land Use Alliance</b>	ClimateWorks Foundation, David and Lucile Packard Foundation, Ford Foundation, Gordon and Betty Moore Foundation	Over \$3 million in active grants	Grants	Sustainable agriculture	Support a shift to a low-emissions rural economy that enhances local livelihoods and reduces greenhouse gas emissions from forests and peatlands
<b>ICCTF</b>	USAID, Danida, DFID, DFAT,	\$ 11.4 million as of 2014	Grants	Project Management, Land base mitigation, adaptation and resilience, energy	The ICCTF is housed within Bappenas, and focuses on land-based mitigation, adaptation and resilience, and energy activities to reduce GHG emissions.
<b>Global Green Grants Fund</b>	Global Green Grants Fund	\$ 63 million since 1993	Grants	Community-based natural resource management	Channeling grants through Samdhana Institute to individuals, communities, and local NGOs working with capacity building, indigenous people issues, sustainable agriculture and forestry, and improving land use and NRM.
<b>Forest Investment Fund</b>	Various multi-lateral development banks (MDBs)	\$70 million	Grants and loans	Forestry	Forest Investment Fund, a funding window of the Climate Investment Fund (CIF), provides direct investments to benefit forests, development and the climate.  The finance is mobilized to support developing countries' efforts to reduce deforestation and forest degradation (REDD+) and promote sustainable forest management.
<b>Clean Technology Fund</b>	Various MDBs	\$400 million	Grants and loans	Renewable energy	Financial support for scaling up low-carbon energy technologies

<sup>37</sup> Halimanjaya, A and Maulidia, M. The Coordination of Climate Finance in Indonesia, December 2014, <https://www.giz.de/expertise/downloads/giz2014-en-climate-finance-coordination-indonesia.pdf>



Fund Name	Donor or Trustee	Level of Funding	Type of Funding	Sector	Objective
<b>Global Environment Facility</b>	World Bank	\$150 million	Grants	Biodiversity, climate change, land degradation	Provides funds for countries to assist them in meeting objectives of international environmental conventions and agreements

The \$5.8 billion CTF is empowering transformation in developing and emerging economies by providing resources to scale up low carbon technologies with significant potential for long-term greenhouse gas emissions savings. Over \$3.8 billion (66 percent of CTF resources) is approved and under implementation in clean technologies such as renewable energy, energy efficiency, and clean transport. This is expected to leverage another \$38 billion in co-financing. The Dedicated Private Sector Programs (DPSDs), created under the CTF to finance large-scale private sector projects with greater speed and efficiency, have allocated a total of \$467 million to geothermal power, mini-grids, mezzanine finance, energy efficiency, solar PV, and early-stage renewable energy programs so far. The DPSDs are intended to deliver scale (in terms of development results and impact, private sector leverage and investment from CTF financing) and speed (faster deployment of CTF resources, more efficient processing procedures), while at the same time maintaining a strong link to country priorities and CTF program objectives. The DPSPs have utilized a programmatic approach where MDBs collaboratively identified private sector funding opportunities.

The CIF is one of the important funds for projects aiming to reduce GHG emissions. It is financed by the World Bank, European Bank for Reconstruction and Development, Asian Development Bank, African Development Bank, African Development Fund, and Inter-American Development Bank. Its targeted programs include:

- The Forest Investment Program (FIP), approved in May 2009, aims to support developing countries' efforts to reduce emissions from deforestation and forest degradation by providing scaled-up financing for readiness reforms and public and private investments. It will finance programmatic efforts to address the underlying causes of deforestation and forest degradation and to overcome barriers that have hindered past efforts to do so.
- The Scaling Up Renewable Energy Program (SREP) in Low Income Countries, approved in May 2009, is aimed at demonstrating the social, economic, and environmental viability of low carbon development pathways in the energy sector. It seeks to create new economic opportunities and increase energy access through the production and use of renewable energy.

In 2009, the government of Indonesia established the ICCTF with the Ministry of National Development Planning Decree No. KEP 44/M.PPN/HK/09/2009, dated on 4<sup>th</sup> September 2009. The ICCTF is designed as a National Climate (Trust) Fund (NCF), which aims to develop innovative ways to link international finance sources with national investment strategies. ICCTF's work is supporting the Government in achieving its mitigation and adaptation targets, through the implementation of national and local mitigation and adaptation actions.<sup>38</sup> The ICCTF mobilizes, manages, and allocates funding in alignment with GoI priorities related to GHG emission mitigation and mainstreaming of

<sup>38</sup> About Indonesia Climate Change Trust Fund, ICCTF, 2017, <http://icctf.or.id/welcome-to-icctf/>

climate change issues into national, provincial, and local development planning. The ICCTF began with a series of ‘pilot’ programs to ‘learn by doing’ as the Facility was getting up and running.

## **FACILITY EVALUATIONS**

There have been a handful of evaluations of climate funding mechanisms or facilities that are publicly available and relevant to GPF, which present some lessons learned for the design of this evaluation, and for the design of future facilities. The mid-term evaluation of the UK International Climate Fund (ICF) (2014) had similar objectives to the GPF evaluation, and took a case study approach across three countries – Ethiopia, Kenya, and Indonesia. In Indonesia, the evaluation team found that the ICF was able to align with existing policy frameworks, but this limited ICF’s scope for influence. It also noted regulatory and market barriers as key challenges faced by the Fund to get grants disbursed; however, by 2013 the enabling environment for renewable energy had improved.<sup>39</sup>

In 2014, the Overseas Development Institute (ODI) conducted an evaluation of the CIF, which operates primarily through MDBs.<sup>40</sup> The CIF relies on MDBs for implementation, oversight, safeguards, and accountability, and therefore is not a strong candidate for comparison with the GPF. ODI also conducted a review of the Indonesia Climate Change Trust Fund (ICCTF), which is the first national government trust fund institution in Indonesia.<sup>41</sup> ODI found that the ICCTF faced some challenges in grant disbursement and administration. Particularly, it was difficult to get the steering and technical committees to meet to review grant applications and make awards. ODI concluded that the ICCTF grants are generally small and likely to have limited impact, but that the Facility could see higher impacts once its operational strategy is realized. The grants are intended to influence policy, and the Ministry of Agriculture plans to develop a set of national guidelines on peat land management based on findings of two projects funded through ICCTF. ODI observed that the linkages between the ICCTF Secretariat (hosted by Bappenas) and the National Action Plan for Greenhouse Gas Reduction and National Action Plan on Climate Change initiatives need to be strengthened.

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### **2.6.2 GAPS IN LITERATURE**

There are ample studies that propose methodologies for evaluating GHG emission reduction activities, and guidance documents to monitor GHG emissions. There are also several comparisons of emission trading schemes and carbon tax policies, as well as models for reduction potential (e.g. cost curve analysis). However, there are few publicly available and readily accessible comparisons of strategies for reducing GHG emissions based on active or closed interventions outside of these two demand-reduction strategies. This report is not expected to fill this gap in literature, as the impacts of many of the grants will not yet be seen at the level of reducing GHG emissions.

Another gap in the literature was that of cost effectiveness of grant facilities or climate funds. This evaluation will aim to address cost effectiveness of the GPF, but it is unlikely that the team will be able to draw comparisons with other facility-type mechanisms, or with other models for reducing

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<sup>39</sup> International Climate Fund – Mid Term Evaluation: HMG Assessment, Department for International Development, UK AID, [http://iati.dfid.gov.uk/iati\\_documents/4773708.pdf](http://iati.dfid.gov.uk/iati_documents/4773708.pdf)

<sup>40</sup> Independent Evaluation of Climate Investment Funds, Volume 1: Draft Evaluation Report, June 2014, [https://www.climate-eval.org/sites/default/files/blogs/cif\\_evaluation\\_final.pdf](https://www.climate-eval.org/sites/default/files/blogs/cif_evaluation_final.pdf)

<sup>41</sup> Halimanjaya, A, Nakhooda, S. and Barnard, S, The effectiveness of Climate Finance: a review of the Indonesia Climate Change Trust Fund, 2014, <https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/8898.pdf>



GHG emissions. So, this evaluation will document the costs of the Facility, as well as comment on the relative costs of other types of interventions if the data are available.

This evaluation will contribute to the body of existing literature in that it will be the first evaluation of an MCC grant-making facility, a model which MCC is considering expanding its use of this model in other countries. It will also complement the ODI study of climate finance in Indonesia, and its review of the ICCTF, as the GPF presents a different model for mobilizing climate finance, but was implemented within the same operational context as other funding mechanisms.

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### **2.6.3 POLICY RELEVANCE OF THIS EVALUATION**

This process evaluation will serve two primary purposes, based on the results of the Evaluability Assessment. Namely, it will:

- Inform the design of future grant facilities (by MCC) and/or trust fund facilities (by the Indonesian government), based on GPF learnings; and
- Provide accountability surrounding changes and adaptations made throughout the course of the GPF to a variety of MCC, MCA, and partner organization stakeholders

MCC currently implements the grant facility model in ten Compacts, and is interested in better understanding the GPF results and process in order to help inform whether and how to implement this type of model within other MCC/MCA contexts. Similarly, the Indonesian government is considering whether and how to continue to work towards GP objectives following Compact closure, and aligned with their own country priorities and discussions with additional donors. Initial discussions have included conversations around the possibility of using a trust-fund model or something similar to continue this type of work.

As such, this evaluation is expected to complement existing data surrounding appropriate approaches and models to reduce greenhouse gas emissions in Indonesia, and provide key lessons learned for these two audiences.

## 3.0 EVALUATION DESIGN

### 3.1 Evaluation Questions

#### 3.1.1 EVALUABILITY ASSESSMENT

SI conducted an evaluability assessment of the GP Project to establish an understanding of the way GP was designed, monitored, and implemented, which has contributed to the design of the performance evaluation methodology detailed below. Through the course of the evaluability assessment, SI and MCC agreed that the evaluation will present findings from two perspectives: Facility and Portfolio. As such, SI will approach evaluation questions 2-5 from both the Facility and Portfolio perspectives, ensuring that the evaluation draws conclusions and lessons learned both about the Facility itself, as well as across the grant portfolios, with particular attention paid to lessons that are relevant to individual portfolios.

**TABLE 3: FACILITY-LEVEL EVALUATION QUESTIONS**

Evaluation Question	Justification
1. How and why did the design of the GPF evolve over time?	GPF did not follow strict implementation fidelity with respect to the design documents. Changes were made for a variety of reasons, which stakeholders are interested in documenting and understanding (for both accountability and learning purposes). Findings related to the reasons for change may also affect future design processes or approaches.
a. Did the PLUP Activity feed into the work of the GPF?	The change in implementation, as noted above, has specific implications for the PLUP activity. As this was a core tenet of the design and was later modified, stakeholders are interested in understanding the extent to which there was complementarity or foundational elements between GPF and PLUP.
b. To what extent did GK contribute to the GPF?	GK is not subject to its own evaluation and stakeholders recognize that the role of GK in the GP Project may have shifted from design to implementation due to a number of factors. It will be necessary to understand GK's contributions to GPF in order to assess the Facility's design, implementation fidelity, and results. In answering this question, we will look at the extent to which GK captured successes and lessons learned from the GPF and other investments; and whether they used lessons learned from GP to guide their work.
2. Is the GPF an effective model to achieve the objectives and/or delivery of grant funding? Why or why not?	MCC and the GoI are both interested in understanding whether and how this model should be used moving forward.
a. Which aspects of the GPF were particularly beneficial or detrimental to the achievement of the GP Project objectives?	In being able to recommend whether and how to implement a grant facility model in the future, it is crucial to understand which contextual factors, design elements, structural processes, and/or other aspects hindered or facilitated the achievement of objectives. This will also help to understand the extent to which changes and investments made to GPF over time (Question 1)

Evaluation Question	Justification
	helped or hurt the achievement of outcomes (an expressed interest of MCA and MCC).
b. Did the GPF approach result in a set of grants that aligned with the GP Objectives?	In order to gauge whether or not this model was effective, the team needs to understand whether the end results were aligned with the design and original intended outcomes of the GPF investment, despite changes to the implementation approach.
3. What key results did the GPF have with respect to processes, policy, or sustainability?	Stakeholders recognize that a good portion of their work was spent on areas not necessarily captured in the design stage. As such, this evaluation will attempt to understand some of the less anticipated outcomes; and what they meant for GPF, as well as for GoI and MCC/MCA.
a. Were the approved grants higher quality than they may have been through other processes?	Some key actors have noted that this result (higher quality grants) was not outlined in the design documents, but is an area of interest. Answers to this question will also help the team better understand the extent to which the GPF model and associated processes were effective.
b. Did the Facility catalyse government policy changes, lay groundwork for future investment, or leverage private sector funds using a new approach?	As with Question 3, this particular area of results has been noted by stakeholders as an area of interest which was not adequately captured in the design of GPF. Understanding the utility of the model; and how that aligns with the problem analysis and anticipated outcomes, requires analysis of unanticipated outcomes as well.
c. Are there indications that investments will continue to have enduring benefits after the lifetime of the Compact?	GPF represents a substantial investment. The answers to this question will provide some value of sustainability by which users can determine effectiveness of the approach.
4. Was the GPF cost-effective?	Given the large investment, MCC and other stakeholders need to understand the extent to which this was a prudent use of resources. In answering this question, the team will also determine whether the benefit streams modelled in the CBA for each grant were appropriate and/or realistic.
a. How much did it cost to implement the GPF?	Costs were not aggregated systematically for GPF due to the multiple and evolving investments in different pieces of the project. To make a value judgment regarding cost effectiveness, the team will need to understand costs in a more holistic sense – aggregating the cost of contractors, HQ support staff, grants, MCA-I operations, etc.
b. What were the key products, processes, and achievements of the Facility?	While some potential achievements or results are specified in other questions, a more holistic understanding of GPF achievements is necessary to adequately gauge cost effectiveness of the facility.
5. What were the key successes, challenges, and lessons learned with respect to operationalizing the GPF at each stage of work?	Users recognize a number of internal and external factors which impacted the operationalization of GPF. In order to learn from this experience, stakeholders need to understand which ones were prevalent in which stages in order to mitigate challenges and build upon successes with future interventions. Answers to this question will consider GPF as a whole, and also capture lessons learned from each of the individual portfolios.

## 3.2 Evaluation Design Overview

Data collection will take place from October to December 2017, with two planned data collection events occurring October 28-November 17 and December 3-14, 2017. Each data collection event will last 2-3 weeks, and will focus primarily on qualitative data collection.

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### 3.2.1 IMPLEMENTATION FIDELITY ASSESSMENT

SI will assess implementation fidelity through Evaluation Question 1 by documenting the original design of the Facility, how and when changes occurred to the design, and the reasons for those changes. The implementation fidelity assessment will generate a timeline of the changes, accompanied by a narrative description of each of the changes, to serve as a record of the evolution of the Facility. This assessment speaks to both stated purposes of the evaluation, which are to inform the design of future grant facilities and provide accountability surrounding changes and adaptations throughout the course of implementation.

Our approach to assessing implementation fidelity will begin with a thorough **document review** to generate an initial timeline of changes and decisions made related to the evolving design of the facility prior to arrival in Jakarta for data collection. To the extent possible, we will also generate initial findings around the reasons for those changes (both internal to MCA-I and external) and the impact of those changes on Facility management and implementation.

In addition to the MCA-I records documenting the design of the GPF, we will leverage GK documents to understand how those grants have contributed to programming, captured and shared lessons learned and best practices, and the extent to which they have generated knowledge products to promote GP's objectives.

In Jakarta, the evaluation team will undertake a series of **facilitated discussions** with MCA-I staff who have reviewed the timeline to take comments, edits, and suggestions, resulting in a revised timeline which will be included in the final report. Through the course of these discussions, the team will delve deeper into the reasons why each change occurred and the impact of each change, which will be documented in the narrative commentary accompanying the timeline. Through these discussions, we will employ a range of facilitation techniques, including making use of visual aids, continuous feedback mechanisms, and iterative validation of the timeline.

The implementation fidelity assessment, or Evaluation Question 1, will focus only on the GPF, PLUP, and GK, not on the Portfolios supported by the GPF.

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### 3.2.2 PERFORMANCE EVALUATION

The remaining evaluation questions will be answered through a performance evaluation, which employs a primarily qualitative approach comprised of document and literature review, key informant interviews (KIIs), focus group discussions (FGDs), and an online survey. The response to each evaluation question will use a combination of these methods, though leveraged in different ways depending on the particular approach to answering the question. Furthermore, the evaluation team will present findings to each of these questions from both the "Facility-level" perspective and the "Portfolio-level" perspective, consistent with MCC's request that the evaluation undertake portfolio-level studies to document the unique experiences of each portfolio as it relates to how they interacted

with the Facility. The approach to each question is summarized briefly below, with the methods described in greater detail in sections 3.3 and 3.4 of this report.

*Evaluation Question 2: Is the GPF an effective model to achieve the objectives and/or delivery of grant funding? Why or why not?*

Quantitatively a model or a project is judged on effectiveness based on how well it is achieving its objectives or targets. SI will collect data on targets, explicit or implied, and results in achieving those targets. Additionally, SI will conduct a literature review to identify other similar Facilities that aim to reduce GHG emissions, in Indonesia and globally, and note key differences between these Facilities and the GPF, as well as the results those Facilities achieved. This will include a review of other relevant MCC approaches and models. SI will also research other intervention methods that aim to reduce GHG emissions. Though it may be too early to describe the results of the GPF (as many grants/interventions are still underway), we can describe how the GPF fits into the wider climate investment landscape and note the similarities and differences between the GPF and other successful models. We will also map out the grantees and the linkages between individual grantee objectives and requirements and the overall GP objectives using GP requests for proposals, work plans, grantee M&E plans, grant applications, and award documents. We will complement this document review with KIIs to understand how the design of the GPF aligns or differs from the design of other facilities, in MCC and more broadly. We will also conduct KIIs with select donor organizations that have similar objectives to GP to explore the ways they are programming, noting key similarities and differences with GP.

SI will also conduct an online survey of grantees (both active and terminated) and grant applicants to identify the enablers and constraints presented by the GPF model, with select KIIs of grantees to delve deeper into their experience with the GPF model and how that compares to other funding models they have experienced. To further answer the sub-question around the beneficial and detrimental aspects of the Facility, SI will conduct FGDs with MCA-I staff and grant implementers (separately), allowing us to identify point of consensus and disagreement among these groups.

*Evaluation Question 3: What key results did the GPF have with respect to processes, policy, or sustainability?*

SI will use KIIs with MCC and MCA-I staff, as well as grant implementers, to gain their perspectives on the key results of the GPF at both the Facility-level and Portfolio-level, as well as the efforts undertaken to improve quality of grants at each stage of the GPF. For each result identified, we will corroborate with a document review. We will also implement an online survey after the key informant interviews are completed to gather further information from grantees and grant applicants on the efforts GP took to improve the quality of grants, and results related to process, policy, and sustainability.

To assess the Facility's screening processes, we will compare the number of grant applications to the number of grants that made it through to each round, as well as review a random selection of rejected grant proposals to determine whether the selection processes was effective at screening out applications that would not have been successful.

*Evaluation Question 4: Was the GPF cost-effective?*

Cost-effectiveness analysis (CEA) is used to determine the most cost-effective option for achieving a pre-defined set of objectives;<sup>42</sup> in the case of the GPF, this would be reduced GHG emissions and increased household income. Because several grants will still be operating at the time of data collection, it will not be possible to assess effectiveness by assessing whether they have achieved what they were supposed to achieve. Therefore, the approach to this question will focus primarily on documenting the costs of the GPF and the total value of completed grants. This will give MCC a measure of the cost to yield productive grant funding. The team sought to draw comparisons across similar Facility-type models, as well as to draw conclusions regarding the benefits realized per dollar of expenditure. However, detailed data on other MCC grants or grant facilities was not available and the team could find few, if any, facilities that are truly similar.

At the Portfolio-level, the team will examine the benefit streams by reviewing the CBA and ERR documents for a sample of grants to assess the validity and credibility of the assumptions and parameters used. This will allow future Facilities to adjust similar analyses accordingly. The approach to answering this evaluation question will rely heavily on document review, with KIIs with MCA-I and grantee staff to triangulate findings and validate conclusions.

*Evaluation Question 5: What were the key successes, challenges, and lessons learned with respect to operationalizing the GPF at each stage of work?*

Focus group discussions will be critical to identifying, mapping, and understanding the successes, challenges, and lessons learned at each stage of work. SI will lead focus groups of 5-7 individuals representing MCA-I and grantees through a phase-by-phase discussion of the GPF to identify key successes and challenges experienced. To further illuminate both the Facility- and Portfolio-level perspectives, SI will explore successes and challenges through key informant interviews and the online survey.

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<sup>42</sup>Annex 1 : Cost-benefit analysis versus cost-effectiveness analysis, Water Governance in the Arab Region: Managing Scarcity and Securing the Future, [http://www.bh.undp.org/content/dam/rbas/doc/Energy%20and%20Environment/Arab Water Gov Report/Arab Water Report AWR Annex%20I.pdf?download](http://www.bh.undp.org/content/dam/rbas/doc/Energy%20and%20Environment/Arab%20Water%20Gov%20Report/Arab%20Water%20Report%20Annex%20I.pdf?download)

**TABLE 4: SUMMARY OF EVALUATION APPROACH**

<b>Evaluation Question</b>	<b>Key Outcomes</b>	<b>Data Source</b>	<b>Data Type</b>
1. How and why did the design of the GPF evolve over time?	N/A – implementation fidelity	Desk review: Original logic model; revised logic model; operational guidance for GPF; memos/documents related to changes in design; board presentations; strategic plans; GOI planning documents.  KII/facilitated discussion with MCA-I staff, board members, contractors, MCC staff, and other relevant stakeholders with historical knowledge	Qualitative, to be summarized in a timeline
a. Did the PLUP Activity feed into the work of the GPF?	<ul style="list-style-type: none"> <li>Spatial certainty regarding local village boundaries and protected land improved, documented, and disseminated</li> <li>Provincial policies and regulations regarding licensing for investment, permit acquisition, and construction clarified and improved</li> </ul>	Desk review: PLUP design, implementation, and evaluation documents; GPF design documents; grantee agreements  KIIs with MCA-I staff (esp. window leads and PLUP staff), PLUP evaluation team, grantees	Qualitative
b. To what extent did GK contribute to the GPF?	<ul style="list-style-type: none"> <li>Knowledge captured</li> <li>Best practices documented</li> <li>Models developed</li> </ul>	Desk review: GK deliverables, Petuah grant amendment  KIIs with MCA-I staff, grantees, PMC, Petuah, GK manager	Qualitative
2. Is the GPF an effective model to achieve the objectives and/or delivery of grant funding? Why or why not?	<ul style="list-style-type: none"> <li>Increased household income</li> <li>Reduced GHG Emissions</li> <li>Delivery of grant funding (value of final grants)</li> </ul>	Document/literature review: GPF design documents, other Facility design/application documents; evaluations/summaries of other grant facilities and projects aiming to reduce GHG emissions  KIIs with MCC staff to understand how design of GPF was influenced by other models	Qualitative and Quantitative
a. Which aspects of the GPF were particularly beneficial or detrimental to the achievement of the GP Project objectives?	N/A	Online survey with grantees to identify enablers and constraints of GPF model  FGDs with MCA-I staff and grantees	Quantitative – structured survey questions

Evaluation Question	Key Outcomes	Data Source	Data Type
		KIIs with grantees if FGDs are not possible	Qualitative – FGDs, open-ended survey questions, KIIs
b. Did the GPF approach result in a set of grants that aligned with the GP Objectives?	<ul style="list-style-type: none"> <li>Reliable commercial-scale renewable energy provision</li> <li>Reliable community-based renewable energy provision</li> <li>Sustainable agriculture promoted</li> <li>Sustainable forestry promoted</li> <li>Improved NRM practices</li> <li>Improved land use practices</li> </ul>	<p>Desk review to determine type of requirements expected from grantees and outcomes of those requirements, as well as mapping of grantee objectives to GPF objectives</p> <p>KIIs with MCA-I and grantees</p>	Qualitative
3. What key results did the GPF have with respect to processes, policy, or sustainability?	<ul style="list-style-type: none"> <li>Adoption</li> <li>Policy dialogue</li> <li>Stakeholder engagement</li> <li>Advocacy Campaign</li> </ul>	<p>KIIs with MCA-I, grantees, GoI, MCC</p> <p>Desk review to corroborate key results raised through KIIs</p>	Qualitative
a. Were the approved grants higher quality than they may have been through other processes?	<ul style="list-style-type: none"> <li>Awarded grants that made it to completion</li> </ul>	<p>Desk review: grant applications; other Facility grant applications; PMC and Grant Administration Support Team (GAST) documentation</p> <p>Online survey with grantees</p> <p>KIIs with grantees</p>	<p>Quantitative - Online survey</p> <p>Qualitative – KII data</p>
b. Did the Facility catalyse government policy changes, lay groundwork for future investment, or leverage private sector funds using a new approach?	<ul style="list-style-type: none"> <li>Policy dialogue</li> <li>Stakeholder engagement</li> <li>Advocacy campaign</li> </ul>	<p>KIIs with MCA-I, grantees, GoI, MCC</p> <p>Desk review to corroborate key results raised through KIIs</p>	Qualitative
c. Are there indications that investments will continue to have enduring benefits after the lifetime of the Compact?	<ul style="list-style-type: none"> <li>Adoption</li> <li>Knowledge captured</li> <li>Best practices documented</li> <li>Models developed</li> </ul>	<p>Desk review: grant applications and reports; Green Knowledge documents</p> <p>Online survey with grantees</p> <p>KIIs with MCA-I staff</p>	<p>Quantitative - online survey</p> <p>Qualitative – desk review and KIIs</p>



<b>Evaluation Question</b>	<b>Key Outcomes</b>	<b>Data Source</b>	<b>Data Type</b>
4. Was the GPF cost-effective?	<ul style="list-style-type: none"> <li>Increased household income</li> <li>Reduced GHG Emissions</li> <li>Cost per dollar of final grant funding</li> </ul>	<p>Desk review: operational and activity cost data; grantee budgets; documentation of fundraising strategies; strategic plans; business plans; compact-level financial records; annual reports; Project Management Information System (PMIS) data from individual grant evaluations; grantee monitoring data</p> <p>KIIs with MCC and MCA-I staff</p>	<p>Quantitative</p> <p>Qualitative – personal insights into cost operations and effectiveness</p>
a. How much did it cost to implement the GPF?	N/A	Desk review: operational and activity cost data; grantee budgets; documentation of fundraising strategies; strategic plans; business plans; compact-level financial records; annual reports; PMIS data from individual grant evaluations; grantee monitoring data	Quantitative
b. What did the Facility achieve in terms of grants awarded and outputs or outcomes?	<ul style="list-style-type: none"> <li>Reliable commercial-scale renewable energy provision</li> <li>Reliable community-based renewable energy provision</li> <li>Sustainable agriculture promoted</li> <li>Sustainable forestry promoted</li> <li>Improved NRM practices</li> <li>Improved land use practices</li> </ul>	Desk review: operational and activity cost data; grantee budgets; documentation of fundraising strategies; strategic plans; business plans; compact-level financial records; annual reports; PMIS data from individual grant evaluations; grantee monitoring data	Quantitative and Qualitative
c. Are the benefit streams modelled in the cost-benefit analyses for the grants appropriate and/or realistic?	N/A	Desk review: ERR and CBA documentation, grant awards	Qualitative
5. What were the key successes, challenges, and lessons learned with respect to operationalizing the GPF at each stage of work?	N/A	<p>FGDs with MCA-I staff and grantees</p> <p>KIIs with grantees and MCA-I staff</p> <p>Online survey of grantees</p>	Qualitative

### 3.3 Quantitative Approach

The quantitative data will be collected through review of GP documents and structured questions from the online survey.

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#### 3.3.1 DESK REVIEW

The quantitative data available through desk review will consist largely of monitoring and cost data, as well as scorecards that MCC/MCA-I may have used in assessing grantee applications. The team will use **monitoring data** (at both the Facility and Portfolio levels) to identify key results and achievements of the Facility and the grant portfolios, as well as any areas where the GP Project failed to achieve its targets.

To assess cost-effectiveness (evaluation question 4), the team will review **cost-related data** for the Facility and for grantees. A CEA will necessitate a determination of the total cost of the GPF, as well as the total cost of other models intended to reduce GHG emissions to serve as a basis for comparison. Unfortunately, this data is not publicly available, so the GPF evaluation will focus on documenting the costs of GP relative to the amount of funding disbursed to grantees. SI has requested data related to the cost of establishing and administering the Facility itself, including level of effort, consultant and contractor costs, and MCA-I costs. At the Portfolio-level, SI has requested cost data for each of the grantees, including economic rate of return estimates (received), cost-share reporting, and implementation budgets and cost reporting.

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#### 3.3.2 ONLINE SURVEY

Following the data collection event in November, SI will administer an online survey (through MCA-I) to all grantees (both active and terminated) and grant applicants to collect structured responses related to evaluation questions 2a, 3a, 3c, and 5. We propose administering the survey after data collection, as we believe the online survey will be most useful for filling in gaps or corroborating data collected through KIIs and desk review, as well as providing a more comprehensive view of the grantee landscape across portfolios. Therefore, the online survey will be designed following data collection to ensure that it covers the optimal areas of data collection to enhance, triangulate, and expand upon existing findings.

The online surveys will be anonymous but require respondents to identify the portfolio or sector of the grant to enable the research team to triangulate the findings from KIIs and document review with sector-specific considerations. For those grantees who represent the only grant in a given portfolio, this identifying information will be removed prior to submission of evaluation data to MCC. All grantee key contacts who will receive the survey will be identified by MCC, and will include a range of personnel supporting each grant to ensure equity in responses. We also request MCA-I's assistance in administering the survey to increase the response rate, thereby addressing one of the major limitations of an online survey. When we are ready to administer the survey, we request that GAST notify survey participants that the survey will be coming from SI. SI will then email all survey participants with a cover letter and provide a direct link to the survey.

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### 3.3.4 ANALYSIS PLAN

The quantitative analysis will be largely descriptive and comparative in nature, and will be structured in a way so that it allows for comparison across grant portfolios and triangulates findings collected through qualitative methods.

## 3.4 Qualitative Approach

SI will collect qualitative data through document and literature review, key informant interviews, facilitated participatory discussions, and focus group discussions. Key informant interviews will take place in Jakarta, Yogyakarta, Bogor, Makassar, Mamuju, Lombok, Pontianak, and Jambi. A summary of the desired respondent types and data collection methods can be found in the table below:

**TABLE 5: SUMMARY OF QUALITATIVE DATA COLLECTION RESPONDENTS**

<b>Respondent Type</b>	<b>Total<sup>43</sup></b>	<b>KII</b>	<b>FGD</b>
Grantee	47	32	17 (2 FGDs)
MCA-I Staff	22	18	4 (1 FGD)
MCC Staff	10	10	0
GPF Contractors	5	5	0
Government of Indonesia (national and local)	3	3	0
Donor	5	5	0
<b>Total</b>	<b>94</b>	<b>73</b>	<b>21</b>

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#### 3.4.1 DOCUMENT AND LITERATURE REVIEW

SI will review all GPF documents and a purposive sample of grantee documents (including but not limited to Operational Guidance; M&E plans; grant agreements, proposals, and amendments; the Social and Gender Integration Plans; Annual and quarterly reports; memos; and calls for proposals) prior to arrival in Jakarta for data collection in November. Additionally, the team will conduct a literature review of other Facility-type mechanism documents and GoI policies and guidance documents related to the GPF and Portfolio outcomes, as well as relevant MCC policies and guidance documents (including the Gender Policy, Landscape-Lifescape Analysis guidance, and Facilities Guidance. The review of project documents will be considered a first iteration toward answering all of the evaluation questions, and allow the team to identify gaps in information that need to be filled in during fieldwork. This will result in a preliminary set of findings to be triangulated through other methods.

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#### 3.4.2 KEY INFORMANT INTERVIEWS

SI will conduct key informant interviews with a range of stakeholders that can provide insight and perspective to the GPF evolution, management, and operations. The interviews will also explore

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<sup>43</sup> The final numbers are likely to change based on scheduling, availability, and opportunities as they arise in the field.

critical success factors, challenges or barriers to success, and results at both the Facility and Portfolio levels, as well as gender. The KIIs will be semi-structured in nature, ensuring that the team is able to gather data related to the evaluation question, but allows the flexibility to add probing questions based on respondents' answers. Furthermore, the KIIs will last no longer than 90 minutes (including time required for translation) in order to respect respondents' other daily obligations. Prior to each interview, the team will identify the highest priority questions to cover with that respondent to ensure that we collect the most pertinent data to answering the evaluation questions (in light of data already collected). SI intends to hold as many KIIs as possible in-person in Washington, Jakarta, or in selected provinces in Indonesia, though will facilitate remote KIIs through video or teleconference if an in-person interview is not possible (due to unavailability of key informant, or if the grantee is based in a location that the team will not visit). The table below describes intended key informants for this evaluation.

**TABLE 6: KEY INFORMANTS**

Key Informant	Location	Role/Function	Timing
MCA-Indonesia			
CEO	Jakarta	Knowledge of evolution of GPF design, impacts of changes to design, how GP fits into wider Compact and GoI objectives	November 2017
GP Project Director and Deputy CEO	Jakarta	Knowledge of evolution of GPF design, impacts of changes to design, how GP fits into wider Compact and GoI objectives	November 2017
Window 1 Lead	Jakarta	Knowledge of Window 1 grants, GPF design evolution, changes to design, effectiveness of GPF and portfolios under Window 1, successes and challenges within Window 1, prospects for sustainability, Window 1 costs	November 2017
Window 2 Lead	Jakarta	Knowledge of Window 2 grants, GPF design evolution, changes to design, effectiveness of GPF and portfolios under Window 2, successes and challenges within Window 2, prospects for sustainability, Window 2 costs	November 2017
Window 3a Lead	Jakarta	Knowledge of Window 3a grants, GPF design evolution, changes to design, effectiveness of GPF and portfolios under Window 3a, successes and challenges within Window 3a, prospects for sustainability, Window 3a costs	November 2017
Window 3b Lead	Jakarta	Knowledge of Window 3b grants, GPF design evolution, changes to design, effectiveness of GPF and portfolios under Window 3b, successes and challenges within Window 3b, prospects for sustainability, Window 3b costs	November 2017
PLUP Lead – MCA-I	Jakarta	Knowledge of GPF design evolution, changes to design, PLUP contribution to those changes, alignment of PLUP with GP objectives	December 2017

Key Informant	Location	Role/Function	Timing
Green Knowledge Lead	Jakarta	Knowledge of GK grants, GPF design evolution, changes to design, effectiveness of GPF and GK, successes and challenges within GK, prospects for sustainability, GK costs	November 2017
Grant Administration Support Team (GAST)	Jakarta	Familiar with evolution of GP policies, processes, and systems, operational challenges and lessons learned	November 2017
Grant Management Team (GPM)	Jakarta	Familiar with evolution of GP policies, processes, and systems, operational challenges and lessons learned	November 2017
Social and Gender Analysis team	Jakarta	Familiar with Social and Gender Assessment (SGA) analyses undertaken by GPF, SGA activities undertaken by grantees	November 2017
Environmental and Social Performance Team	Jakarta	Familiar with Environmental and Social Protection (ESP) analyses undertaken by GPF, ESP activities undertaken by grantees	November 2017
MCA-I Economic Analysis team	Jakarta	Provide input on CBAs	November 2017
MCA-I PDU Leads	Jakarta	Managing the RE portfolio at MCA-I, perspective on evolution of GP design. Deep understanding of RE policy and construction projects, as well as GOI RE strategy.	November 2017
MCA-I Relationship Managers	Various	Local MCA-I focal point for grantees in each province/district. Can provide insight into challenges grantees faced, support they received from MCA-I, and government perceptions of GP.	November-December 2017
<b>MCA-I Contractors/Grantees</b>			
Grant managers (grantees)	Jakarta, Yogyakarta, Bogor	Familiar with successes/challenges experienced by grantees, reality of putting policy/guidance into practice, prospects for sustainability, development of benefit streams	November 2017
Grant Implementers	See section 3.5	Provide portfolio-level findings related to each of the evaluation questions	November or December 2017
Project Management Consultant (PMC)	Jakarta	PMC provides program management support for Facility operations and technical support for grant proposals and deliverables for Windows 1, 3, and GK	November 2017
Grant Program Manager (GPM) Lot 1	Jakarta	Grant Program Manager for Window 2	November 2017
GPM Lot 2	Jakarta	Grant Program Manager for Window 2	November 2017
Operations Manager	Jakarta	Familiar with evolution of GP policies, processes and systems, operational challenges and lessons learned	November 2017
MCA-I GHG consultants	Jakarta / Skype	Provide perspective on GHG modelling and likelihood of projects achieving GHG impact	December 2017

Key Informant	Location	Role/Function	Timing
<b>Government of Indonesia and External Stakeholders</b>			
Investment Committee	Jakarta	Can comment on linkages between GP Objectives and GoI policy objectives, evolution of GP Design	November 2017
Bappenas representatives	Working unit for MCC - Jakarta	Coordinate the administration of MCC within the GoI	November 2017
Board of Trustees	Jakarta	Can comment on linkages between GP Objectives and GoI policy objectives, evolution of GP design	November or December 2017
World Bank, ICCTF, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	Jakarta	Comparison, particularly for RE programs	November or December 2017
<b>MCC</b>			
Resident Country Director	Jakarta	Knowledge of evolution of GPF design, impacts of changes to design, how GP fits into wider Compact and GOI objectives	November 2017
Deputy Resident Country Director	Jakarta	Knowledge of evolution of GPF design, impacts of changes to design, how GP fits into wider Compact and GOI objectives	November 2017
GP Project Lead	Washington, DC	Knowledge of evolution of GPF design, impacts of changes to design, how GP fits into wider Compact and GOI objectives, operational successes/challenges	November 2017
Energy Lead	Washington, DC	Provide input on RE portfolio (Windows 3 and 2), PDU	December 2017
Environmental and Social Performance Leads (X2)	Washington, DC	Familiar with ESP analyses undertaken by GPF, ESP activities undertaken by grantees	December 2017
Gender and Social Inclusion Lead	Washington, DC	Offers perspective on women's economic empowerment grants and SGA team work	December 2017
PLUP Lead	Virtual	Familiar with PLUP, land use and restoration objectives of MCC	December 2017
MCC Economist	Washington, DC	Provide input on CBAs	December 2017
MCC Fiscal Accountability Lead	Washington, DC	Provide information on costs and payments	December 2017

### 3.4.3 FACILITATED PARTICIPATORY DISCUSSIONS

These facilitated participatory discussions will aim to answer questions 1 and 5 of the evaluation. These discussions, though they may take place in groups, are distinct from FGDs in that the facilitation is structured around the phases or timeline of the GPF, and are less concerned with the interplay between group members; rather, the aim is to develop and validate a shared understanding of the changes that occurred over time, the reasons for those changes, and the successes and challenges encountered through the life of the Facility. The discussions will be facilitated by the Qualitative Methods Expert and another member of the evaluation team (depending on the stakeholder group), and will make use of visual aids (e.g. prepared timeline) to encourage active participation from MCA-I staff and content development for inclusion in the evaluation report.

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### 3.4.4 FOCUS GROUP DISCUSSIONS

SI will use FGDs in response to questions 2a and 5, with discussion centering on aspects of the GPF that were beneficial or detrimental to achieving its objectives, as well as successes and challenges. The FGDs will take place in December 2017, after preliminary findings have emerged from the November data collection. This will allow the team to refine the questions so that they test preliminary hypotheses and fill persisting data gaps. The FGDs will be held with both MCA-I staff and grantees in Jakarta and Bogor. Each focus group will be comprised of somewhat “homogenous” groups of individuals (e.g. grant managers, operations staff, Window 2 grantees, etc.). The SI team will have two facilitators for each FGD – one to pose questions and react to responses, and another to ask probing or follow-up questions and keep time. A note-taker will take detailed notes for later analysis. Each FGD will last approximately two hours. We understand that there is some overlap between individuals selected for KIIs and those selected for FGDs. Being cognizant that MCA-I staff are very busy with closeout activities, individuals invited to both an FGD and KII may opt to attend one or the other, depending on their availability. The proposed focus group respondents are:

**TABLE 7: FOCUS GROUP RESPONDENTS**

<b>Respondent Type</b>	<b>Location</b>	<b>Role/Function</b>	<b>Timing</b>
MCA-I Programmatic Staff (representing all portfolios)	Jakarta	Offer MCA-I programmatic perspective on successes, challenges, and aspects of the Facility that were beneficial or detrimental to meeting objectives	December 2017
Grant Implementers	See section 3.5	Offer implementer perspective on successes, challenges, and aspects of the Facility that were beneficial or detrimental to meeting objectives	December 2017

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### 3.4.5 ANALYSIS

SI will take detailed notes so that the team can generate transcriptions and translations (if necessary), to then upload into a qualitative analysis platform (Dedoose) for coding. The coded responses will allow us to transform qualitative data into quantitative tabulations where possible and appropriate; however, it is important to note that because the respondent sample per portfolio will be relatively small, in many cases it may not be suitable to quantify the qualitative data generated at the Portfolio-level.

Each question in KII and FGD protocols will have a direct link to an evaluation question (or component of an evaluation question), and will be categorized according to those linkages during data analysis. The findings generated through these methods will be interpreted in the context of findings generated through other qualitative and quantitative methods described above, and triangulated accordingly.

SI will develop a standard codebook for evaluation questions 2a, 3, and 5 to allow for thematic analysis across respondents and respondent type. For the remaining evaluation questions, we do not anticipate that a standard codebook will be necessary, as the number of key informants that can provide pertinent information for those questions is relatively small.



### 3.5 Sampling Approach

For the document-based scoring, the team intends to review a random sample of grant applications so that the findings represent the entire universe of grantees. Likewise, the online survey will be sent to all grant applicants and recipients (both TAPP and full, and also including grants that were discontinued), and findings will be based on the population of respondents who respond to the survey.

To select grantees for KIIs, site visits, and FGDs, the team identified geographic locations based on purposive sampling using three primary criteria: (1) number of grantees represented in that location; (2) number of grant windows represented in that location; and (3) number of portfolios represented in that location. With these criteria in mind, the team then used snowball sampling based on grantee availability, stakeholder recommendations, and emerging opportunities throughout fieldwork. As such, the team conducted in-person KIIs in Jakarta, Yogyakarta, Bogor, Pontianak, Lombok, Jambi, Mamuju, and Makassar, as the majority of implementers are based in these sites and allow for the team to reach the largest number of grant implementers with the resources available. As opportunities arise, the team will also meet with implementation partners (those that have received sub-grants through GP). Selection of these sites also represents the major implementation geographies of GPF so that the team can observe differences not only across portfolio, but also across implementation sites.

SI will also organize FGDs to gain a broader perspective across the grantees, and will invite grantees based in Bogor, Bandung, and Jakarta to participate in FGDs.

Because the portfolios differ significantly in terms of number of award, size of award, and duration of award, the team will use separate sampling criteria for each of the portfolios, as described in Table 8 below. The grantee data collection by location can be found in Annex 6.2.

**TABLE 8: SAMPLING JUSTIFICATION**

Sampling Frame	Sampling Criteria	Justification for Criteria	Selected Grants
<b>Green Knowledge</b>			
7 grant implementers	All grantees will be contacted to participate in a KII.	The portfolio-level portion of the evaluation will pay particular attention to GK because it will not undergo its own portfolio evaluation.	<ul style="list-style-type: none"> <li>Gathering and Dissemination of Information and Green Knowledge for a Sustainable Integrated Farming Workforce in Indonesia (KII)</li> <li>A Sustainable Training and Certification System for Renewable Energy Labor Market (KII)</li> <li>Green Knowledge Capture and Dissemination Grant on Green Budgeting (KII)</li> <li>Managing and Utilizing Green Knowledge in Indonesia (KII)</li> <li>Cultivate the Capacity of Young Men and Women as Future Local Leaders for Capturing Green Knowledge to Address Social Ecological Crisis Embodied in a Variety of Landscape and Spatial Practices (KII)</li> </ul>



Sampling Frame	Sampling Criteria	Justification for Criteria	Selected Grants
			<ul style="list-style-type: none"> <li>Green Knowledge with Basis of Local Needs and Wisdom to Support Sustainable Development (FGD)</li> </ul>
<b>Off-grid Renewable Energy (Windows 1, 2, and 3A)</b>			
13 grant implementers	We will contact all grantees based in selected locations for a KII, and will conduct one site visit to Karampuang Island per MCA-I and PMC's recommendation	<p>RE grants span all three windows. The site/respondent selection reflects the diversity of grant types and will generate data that can illuminate differences across the windows.</p> <p>Two of the remaining three grantees are being interviewed through a different evaluation.</p>	<ul style="list-style-type: none"> <li>Investing in Renewable Energy for Rural, Remote Communities (KII + site visit)</li> <li>Increased poor household income through green business practices supported by RE (KII)</li> <li>Pro Poor public private partnerships for community-based RE development (KII)</li> <li>MiniHydro Power Plan in RantauSuli, Merangin, Jambi (KII)</li> <li>Development of Micro Hydro Power Plants to Improve Community Welfare and Sustainability of NRM in Buangin village (KII)</li> <li>Solar PV Electricity for Karampuang Island (KII + site visit)</li> </ul>
<b>On-grid Renewable Energy (Window 3B)</b>			
10 grant implementers (for 11 grants)	SI will contact grantees based in Jakarta for an interview.	Most grants in this window will not make it to completion, so respondents may not be willing to meet with the team.	<ul style="list-style-type: none"> <li>2X 0.3 MW Cakranegara Mini Hydro Power Plant, 2X 0.5 MW Sesaot Mini Hydro Power Plant, 2X 0.275 MW Batubedil Mini Hydro Power Plant (in-person KII)</li> </ul>
<b>Cocoa (Windows 1 and 2)</b>			
4 grant implementers across Windows 1 and 2	SI will conduct KIIs with two grantees from Window 1	The sampling allows for the team to collect findings within Window 1	<ul style="list-style-type: none"> <li>Sustainable Cocoa Partnership (KII)</li> <li>Cocoa Revolution (KII)</li> </ul>
<b>Peatland (Windows 1 and 2)</b>			
3 grant implementers across Windows 1 and 2	SI will contact all grantees for a KII.	The sampling frame is small enough to hold in-person or telephone KIIs with all	<ul style="list-style-type: none"> <li>Natural Resource Management of Peat Swamp Forest and Renewable Energy Application to Increase Productivity of Community Priority Products in Kapuas Hulu Regency (KII)</li> </ul>

Sampling Frame	Sampling Criteria	Justification for Criteria	Selected Grants
		grantees. This captures a range of grant sizes and durations.	<ul style="list-style-type: none"> <li>Berbak GP Partnership (KII)</li> </ul>
<b>Social Forestry (Window 2)</b>			
11 grant implementers	SI will contact grantees in selected locations for either a KII or FGD.	In-depth KIIs and site visits with a range of grant sizes in different provinces throughout Indonesia to gain a more holistic picture of the portfolio. The FGDs will cover 3 of the remaining grantees.	<ul style="list-style-type: none"> <li>Building a productive and sustainable social forestry entrepreneurship in NTB, NTT, and Southeast Sulawesi (KII)</li> <li>Sustainable utilization of NTFPs through community-based forest management – economic development and biodiversity conservation at Rinjani Mountain Landscape, Lombok (KII)</li> <li>Increasing household income through improvement of sustainable private forest governance (KII)</li> <li>Institutionalization of Village Forest Management (KII)</li> <li>Supporting community-based forest management (FGD)</li> <li>Increasing access and utilization of forest ecosystem services for sustainable forest rural community in North Lombok, East Lombok and Kolaka (FGD)</li> <li>Development of village forests through the utilization of NTFPs and sustainable ecosystem services to support economic development of low emission in Kapuas Hulu (FGD)</li> </ul>
<b>Sustainable Agriculture (Window 2)</b>			
12 grant implementers	SI will conduct KIIs and site visits with four grantees of various funding levels	In-depth KIIs and site visits with a range of grant sizes in different provinces throughout Indonesia to gain a more holistic picture of the portfolio. The FGDs will cover 1 of the remaining grantees	<ul style="list-style-type: none"> <li>The Optimization of Sustainable Natural Resources Management (KII)</li> <li>Improving the quality of life of dryland farmers of the Rinjani mountain village through sustainable agriculture in Lombok Island (KII)</li> <li>Developing integrated farming in a more productive and sustainable way (KII)</li> <li>Development of aquaculture for increasing sustainable economic growth in Kabupaten Merangin Jambi Province (FGD)</li> </ul>
<b>Community-based Natural Resource Management (Window 2)</b>			
8 grant implementers	SI will conduct KIIs with half of the grantees	In-depth KIIs and site visits with a range of	<ul style="list-style-type: none"> <li>Alas Straits Green Prosperity Partnership (KII)</li> <li>Building an integrated community based catchment area (CA) management model</li> </ul>

Sampling Frame	Sampling Criteria	Justification for Criteria	Selected Grants
	based in selected locations	grant sizes in different provinces throughout Indonesia to gain a more holistic picture of the portfolio. Two grantees will also participate in an FGD.	<p>through enhancement of cocoa-based agroforestry, strengthening and utilization of micro-hydro plants, and development of inter-villages and sub-districts' mutual concern in the protection, rehabilitation, and restoration of Rongkong watershed (KII)</p> <ul style="list-style-type: none"> <li>• Toward green prosperity of central part of Sumba Landscape: Enhancing Community Livelihood and Conserving Environment (KII + FGD)</li> <li>• Indigenous community's initiatives to fulfill the values of economic, ecologic, social, and sustainability functions of resource management in the Tana Luwu landscape (KII + FGD)</li> </ul>
<b>Women's Empowerment</b>			
5 grant implementers	SI will conduct KIIs all five grantees.	MCC does not plan to evaluate the women's empowerment portfolio through any other evaluation.	<ul style="list-style-type: none"> <li>• Expanded program for economic security escalation for the poor who work as migrant laborers (KII)</li> <li>• Women's economic empowerment through increasing added value of agricultural products, development of food crop gardens, and strengthening of women businesses and cooperative (KII)</li> <li>• Economic social welfare improvement program for female salt farmers (KII)</li> <li>• Achieving gender equality in the initiative to improve people's economic and environmental welfare (KII + FGD)</li> <li>• Strengthening initiation on community-based ecotourism as an alternative source of income for women (KII + FGD)</li> </ul>
<b>Eco-Tourism</b>			
3 grant implementers	SI will contact all grantees to request a KII	In-depth KIIs with grantees in various locations to observe differences by geography	<ul style="list-style-type: none"> <li>• Community-based Creative Restoration in Ecosystem Landscape of Berbak (KII + FGD)</li> <li>• Strengthening the culture ecology economy of eco-dyed hand-woven textiles (KII + FGD)</li> </ul>

### 3.6 Challenges

Because many of the grants are recently awarded (within the past 18 months) and are not through the project cycle, it will not be possible for the team to measure long-term (or even short-term) outcomes. As such, the team can only comment on contribution thus far toward meeting GP

objectives, which will most likely not yet be realized. This will present some limitations in assessing sustainability and likelihood of enduring benefits of the GPF and the portfolios. The team will address this by documenting evidence of grantees' and the GPF's sustainability efforts, and aligning this evidence against MCC's sustainability criteria, noting any gaps that may present a risk to sustainability.

Furthermore, though Indonesia is involved in several funds that have objectives related to reducing GHG emissions, there is no single facility that serves as a perfect comparison to the GPF, as the objectives of other facilities are often more narrowly focused or much broader than GPF; have significantly different funding amounts or parameters; and/or fund grants in sectors outside of those supported by the GPF. As such, SI will approach the evaluation questions that call for comparison with other facilities (questions 2 and 4) by noting the points at which the comparison facilities differ from GPF, and how these differences should be considered in interpretation of the results. Additionally, it is unknown at this point how much cost, outcome, application, and design data is available for these "comparison" facilities, and the team may face limitations in the extent of comparison possible based on the available data (or lack thereof).

At the portfolio-level, SI will collect qualitative data from 39 of the 83 non-TAPP grants, and all grantees will be included in the online survey. Because of the small number of selected grants in some of the portfolios for qualitative data collection (particularly Window 2 grants), it is not possible to generalize the findings beyond the grantees interviewed to be representative of the entire portfolio in the country, though the team will note areas of similarity or difference across portfolios. Though not representative, the team still believes findings may be useful to policymakers or designers of future Facility-type activities, as particular constraints experienced by one or several grantees may give some indication of constraints felt across a sector.

## 4.0 ADMINISTRATIVE

In this section we summarize our plans for carrying out required administrative tasks to implement the evaluation.

### 4.1 Summary of IRB Requirements and Clearances

SI has an in-house Institutional Review Board (IRB) that can review applications for human subjects research. Typically, the kind of data collection activities described in this document do not meet the requirements for submission to the IRB as human subjects research.<sup>44</sup> However, given MCC's stated objective<sup>45</sup> to obtain from evaluators, where possible, raw qualitative data for the purposes of potentially posting this information publicly or with restricted-access at some future date for use by other researchers, SI believes that IRB review is merited, as providing the raw qualitative data to MCC would pose plausible risks of re-identification by both MCC and/or other users of the data. In many cases, even if names, titles, and contact information were scrubbed from the qualitative data, the questions asked in the interview and the content of the responses could serve to re-identify a respondent (e.g. in cases where only a certain GK grantee could reasonably provide certain responses). If data were to be provided to MCC with the potential for use by other researchers, the informed consent forms would also be required to state this to respondents. SI believes that this could negatively affect the quality of data received and/or respondent trust in SI's independence, especially given the potential for some of the KIIs to touch upon topics related to institutional arrangements, and roles, responsibilities, and performance of various stakeholders involved in funding, overseeing, and monitoring these interventions, including the role of MCC and MCA-I.

Therefore, SI will submit the evaluation for SI IRB review, with an explicit request for comment by the IRB on SI's intention to refrain from sharing raw qualitative notes or transcripts with MCC, given the concerns described above. In this case, only the analysis would be shared with MCC, and informed consent forms would not include language related to future use of the data by other researchers or by MCC (as is included in MCC's informed consent template). We expect to undergo expedited (as opposed to full-board) review by the IRB.

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<sup>44</sup> Defined by the US Department of Health and Human Services (HHS) Office for Human Research Protections (OHRP) in 45 CFR 46.102, as **research** ("a systematic investigation, including research development, testing and evaluation, designed to develop or contribute to generalizable knowledge") that involves **human subjects** ("a living individual about whom an investigator (whether professional or student) conducting research obtains data through intervention or interaction with the individual, or identifiable private information"). This definition generally would not include activities undertaken with the principle objectives of operational or program improvement or assessment, such as: mid-term program evaluations, fiscal or program audits, literature reviews, meta-evaluation analyses, or data collection for other purposes, unless they involve potentially significant risks to subjects or work with highly vulnerable populations (e.g. minors). However, the SI IRB will require review if program evaluation research involves vulnerable people (e.g. children, prisoners, mentally disabled, socially marginalized groups, illegal workers, people in a highly oppressive political regime or conflict area), or if data collection procedures, data submission to client, or accidental disclosure of data to certain people might pose risks of negative social, economic, political, physical or other negative ramifications.

<sup>45</sup> MCC Evaluation Microdata Documentation and De-Identification Guidelines January 2017 p. 9, and comments received on draft Process EDR.

## 4.2 Data Protection

To protect the privacy and confidentiality of key informant interviews, the SI team will ensure that interviews take place in a reasonably private location where key informants are comfortable responding openly. An informed consent form will be administered to all key informants prior to the start of the interview, to ensure respondents understand SI's independent role in the evaluation, the voluntary nature of the interview, and their right to refuse to answer specific questions and/or to stop the interview early. Respondents will also be informed in this consent form that their names and job titles will not be referenced in any reporting, and quotes that would serve to re-identify them will not be used in reporting. Further, to ensure respondent comfort during interviews, interviews will not be audio recorded. SI will take detailed notes and will transcribe these notes in full, electronically, following the interviews. After reporting and dissemination is complete, SI will dispose of hand-written notes which include any names, job titles, or contact information. Transcribed interview notes will be saved in project folders which are accessible only by project team members.

We anticipate that some qualitative data will lend itself well to coding for thematic analysis (questions 2a, 3, and 5). SI will assign a unique identifier to each set of notes, and upload responses relevant to evaluation questions 2a, 3, and 5 into Dedoose using this unique identifier. SI will create a password-protected document that matches the key informants with the unique identifiers, and will house it on SI's internal Sharepoint site, with the password shared only among select project team members. The Sharepoint site is accessible only to SI staff and the team members employed for this evaluation. After the report has been approved by MCC, SI will delete this identifier file from Sharepoint and disable consultant access to the site.

## 4.3 Preparing Data Files for Access, Privacy, and Documentation

While SI is committed to the principals of transparency and open data, we believe that balanced against the risks to privacy, data quality, and re-identification described above, the case for making the qualitative data from this evaluation public (openly or through restricted access) is weak from a technical point of view. The purpose of the KIIs described in this design report and methodology is different than, for example, qualitative research done using a series of focus groups with a single guide or questionnaire repeated among a large group of beneficiaries meant to capture representative perspectives of a broader group. In this process evaluation, only a limited number of individuals can be expected to comment substantively on a specific topic or on specific evaluation questions. As such, interview guides will necessarily differ by respondent. This limits the team's ability to protect anonymity of respondents due to the small number of respondents per portfolio. Similarly, anonymizing qualitative transcripts would likely require the team to remove a substantial portion of portfolio-specific and historical information to truly protect the respondent's anonymity. That would limit the utility of that data for MCC or other stakeholders. As such, we do not expect that there is a compelling case for secondary analyses that could be done using such interview data.

Following approval of the final report, SI will prepare and submit any quantitative data collected as part of this evaluation to MCC, and SI will upload all data to produce a Nesstar Metadata file inclusive of the summarized EDR. Prior to submitting the quantitative data collected through the online survey, SI will remove identifying information (e.g. portfolio and location responses) and all open-ended responses.

#### 4.4 Dissemination Plan

Following each data collection “event” in Indonesia, SI will prepare and submit a trip report summarizing activities, sites visited, and individuals interviewed.

Upon completion of data collection and analysis, SI will develop a draft evaluation report that synthesizes all qualitative and quantitative findings from the evaluation. The report will follow MCC’s template for final evaluation reports, and will serve as an easily digestible resource for dissemination among stakeholders and to further inform MCC’s design of future grant facilities. SI will share the initial evaluation draft report with local stakeholders and MCC for review. Upon receipt of feedback, SI will prepare a ‘comments matrix’ that systematically tracks SI’s response and edits, if any, to all comments received. This matrix will be submitted along with the final evaluation report.

At MCC’s request, SI will also prepare an extra two-page summary of the evaluation with key findings and recommendations for policymakers within the GoI. This summary will be submitted after local stakeholders have reviewed the draft report and following discussion with key stakeholders at MCC and MCA-I regarding what will be included in the summary and how it should be presented to optimize use. The summary will be shared with MCC and MCA-I for feedback, and a final version will be submitted approximately one week after receipt of feedback.

SI will disseminate the final results through presentations at MCC headquarters in Washington, DC, and MCA-I headquarters in Jakarta. These presentations will be delivered with an accompanying facilitated discussion to (1) validate the findings and recommendations presented and (2) discuss action planning around the recommendations to facilitate use and uptake. If requested by MCC, we can also facilitate a presentation of the findings to external stakeholders, including GPF grantees and/or other donors, in Jakarta.

At SI’s own cost, we will follow up with MCC stakeholders at 6 months and 1 year after the completion of the evaluation to understand how the evaluation was used.

#### 4.5 Evaluation Team Roles and Responsibilities

SI will distribute responsibilities among the team as follows:

**TABLE 9: TEAM ROLES AND RESPONSIBILITIES**

Role/Name	Responsibilities
<b>Key Personnel</b>	
Local Research Manager Mr. Henri Sitorus	<ul style="list-style-type: none"><li>• Directly oversee the team, delegate responsibilities to the team members, and conduct quality assurance on their inputs.</li><li>• Coordinate communication with stakeholders and data collection in Jakarta.</li><li>• Advise on the local context during the evaluability assessment, evaluation design report, and design of data collection tools.</li></ul>
Program Manager Ms. Danielle de Garcia	<ul style="list-style-type: none"><li>• Provide remote managerial and technical leadership throughout the evaluation.</li><li>• Liaise regularly with the Local Research Manager.</li></ul>



	<ul style="list-style-type: none"> <li>• Ensure the quality and timeliness of all deliverables and adherence to the contract and budget.</li> </ul>
Qualitative Research Methods Expert Ms. Paige Mason	<ul style="list-style-type: none"> <li>• Under the guidance of the Local Research Manager and Program Manager, develop the Evaluation Design Report and data collection tools</li> <li>• Travel to the field to conduct data collection and oversee one sub-team during field work.</li> <li>• Lead qualitative data analysis and corresponding report writing.</li> </ul>
Renewable Energy Expert/Economics Expert Mr. Matthew Addison	<ul style="list-style-type: none"> <li>• Travel to the field to conduct data collection.</li> <li>• Provide subject matter expertise in renewable energy and cost effectiveness analysis throughout the evaluation.</li> <li>• Contribute to data analysis and report writing, as assigned.</li> </ul>
Agriculture and NRM Expert Dr. Rodd Myers (proposed)	<ul style="list-style-type: none"> <li>• Travel to the field to conduct data collection.</li> <li>• Provide subject matter expertise in agriculture and NRM throughout the evaluation.</li> <li>• Contribute to data analysis and report writing, as assigned.</li> </ul>
<b>Non-Key Personnel</b>	
Local Research Assistant Ms. Intan Sari	<ul style="list-style-type: none"> <li>• Assist with logistics during field work, such as arranging meetings, venues, transportation, and lodging.</li> <li>• Serve on a sub-team during data collection.</li> <li>• Assist with quantitative data analysis, as assigned.</li> </ul>
Administrative Assistant Ms. Katya Fink	<ul style="list-style-type: none"> <li>• Provide administrative and logistical support throughout the evaluation, such as processing visas, arranging international travel, and onboarding and paying consultants.</li> <li>• Contribute to background research and qualitative data coding.</li> <li>• Conduct copy-editing, formatting, and other QA on deliverables.</li> </ul>

## 4.6 Evaluation Timeline and Reporting Schedule

The evaluation will undergo two rounds of data collection to accommodate the varying schedules of MCA-I staff and the grantees. All rounds of data collection will be followed by a trip report, with the full draft evaluation report to follow the final round of data collection.

**TABLE 10: DATA COLLECTION ROUNDS**

<b>Name of Round</b>	<b>Data Collection</b>	<b>Data Cleaning and Analysis</b>	<b>First Draft Report Expected</b>	<b>Final Draft Report Expected</b>
Evaluability Assessment	August 7-17, 2017	August 20-31, 2017	September 1, 2017	September 7, 2017
Round 1, Jakarta, Makassar, Bogor, Mamuju, Yogyakarta, Lombok, Jambi	November 1-17, 2017	November 20-December 8, 2017		Trip Report: December 8, 2017
Round 2, Jakarta, Bogor, Pontianak	December 5-15 2017	December 15-20 2017		Trip Report: December 31, 2017
			February 21, 2018	April 20, 2018

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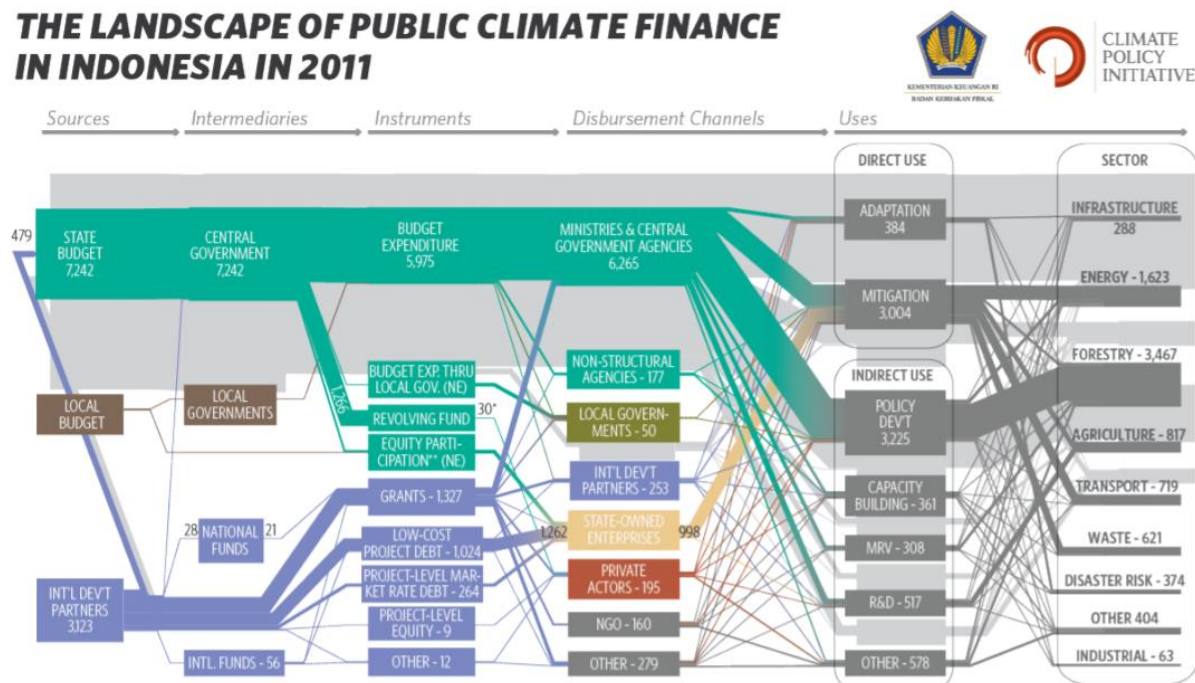
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## 6.0 ANNEXES

### 6.1 Landscape of Public Climate Finance in Indonesia

#### THE LANDSCAPE OF PUBLIC CLIMATE FINANCE IN INDONESIA IN 2011



Notes: Figures are indicative estimates of annual flows for 2011. All data presented relates to transfers or disbursements during in 2011. Flows are expressed in IDR billions and rounded to produce whole numbers, and as such due to rounding for presentation displayed values might not add up. We show finance that we could identify clearly as climate-specific as "solid" flows. The diagram captures upfront capital investment costs for low carbon and climate resilient activities, plus activities that indirectly support mitigation or adaptation, such as policy development, capacity building, setup of MRV systems or research and development. We only track upfront investments and not lifetime inflows. There is significant uncertainty around how much climate-specific finance is being disbursed from the state budget to support indirect activities in general, and adaptation activities in particular. We represent the full range, including the band of uncertainty (up to an additional IDR 10,008 billion), in the diagram as a "shadow", reflecting the scale of climate-specific finance and portion of potentially relevant finance that we could not verify.

\* We included transfers where we know they happened (ICCTF, Geothermal Risk Mitigation Fund, Eximbank), although there were not disbursements to projects in 2011.

\*\* Equity participation is comparable to what we call balance sheet financing in the global landscape.

## 6.2 Grantee Data Collection by Location

**TABLE 11: GRANTEE DATA COLLECTION BY LOCATION**

Grant Number (Portfolio)	Grant Name	Data Collection Type
<b>Jakarta</b>		
18 (RE)	Investing in Renewable Energy for Rural, Remote Communities	KII
7 (GK)	Gathering and dissemination of information and GK for a sustainable integrated farming workforce	KII
32 (Soc. For)	Building a productive and sustainable social forestry entrepreneurship	KII
9 (GK)	A sustainable training and certification system for the renewable energy labor market	Skype
6 (GK)	GK Capture and Dissemination Grant on Green Budgeting	KII
35 (RE-2)	Increased Poor Household Income through Green Business Practices supported by Renewable Energy	KII
66 (RE-2)	Pro Poor PPP for community based RE development	KII
1 (Cocoa)	Sustainable Cocoa Partnership	KII
10 (Peatland)	Berbak GP Partnership	KII
15 (RE-3B)	Mini Hydro Power Plant	KII
<b>Jambi</b>		
41 (Sus. Ag)	The optimization of sustainable NRM	KII
58 (Eco-tourism)	Community-based Creative Restoration in Ecosystem landscape of Berbak	KII
69 (Soc. For)	Sustainable utilization of NTFPs through community-based forest management	KII
<b>Makassar</b>		
27(Soc. For)	Increasing household income through improvement of sustainable private forest governance	KII
76 (RE-2)	Development of Micro Hydro Power Plants to Improve community welfare and sustainability of NRM in Buangin village	KII
5 (GK)	Managing and Utilizing GK in Indonesia	KII
<b>Lombok</b>		
17 (CBNRM)	Alas Straits Green Prosperity Partnership	KII
74 (WEE)	Expanded program for economic security escalation for the poor who work as migrant laborers	KII
52 (WEE)	Women's economic empowerment through increasing added value of agricultural products	KII



73 (WEE)	Economic social welfare improvement program for female salt farmers	KII
75 (Sus. Ag)	Improving the quality of life of dryland farmers of Rinjani mountain village through sustainable agriculture in Lombok Island	KII
<b>Mamuju</b>		
80 (RE-3A)	Solar PV Electricity for Karampuang Island	KII
<b>Yogyakarta</b>		
4 (GK)	Cultivate the capacity of young men and women as future local leaders for capturing GK	KII
36 (Sus. Ag)	Developing an Integrated Farming in a more productive and sustainable way	KII
45 (Soc. For)	Institutionalization of Village forest management	KII
<b>Bogor</b>		
64 (CBNRM)	Building an integrated community based catchment area management model	KII+FGD answers sent via email
51 (WEE)	Achieving gender equality in the initiative to improve people's economic and environment	KII+FGD
53 (Eco-Tourism)	Strengthening the culture ecology economy of eco-dyed hand-woven textiles	KII+FGD
54 (Soc. For)	Supporting community-based forest management	FGD
33 (Soc. For)	Increasing access and utilization of forest ecosystem services for sustainable forest rural community	FGD
55 (Soc. For)	Development of village forest through the utilization of NTFPS and Sustainable ecosystem services	FGD
50 (Sus. Ag)	Development of aquaculture for increasing sustainable economic growth	KII+FGD
3 (GK)	Green Knowledge with Basis of Local Needs and Wisdom to Support Sustainable Development	FGD
24 (CBNRM)	Toward green prosperity of central part of Sumba landscape	KII+FGD
30 (WEE)	Strengthening initiation on community based ecotourism as an alternative source of income for women	KII+FGD
65 (CBNRM)	Indigenous community's initiatives to fulfil the values of economic, ecologic, social, and sustainable functions of resources management	KII+FGD
<b>Bali</b>		
2 (Cocoa)	Cocoa Revolution	KII
<b>Pontianak</b>		
37 (Peatland)	Natural Resources Management of Peat Swamp Forest	KII
57 (WEE)	An initiative to strengthen women's group economic development	KII

## 6.2 Stakeholder Comments and Evaluator Responses

Reviewer Name/ Institution	Page Number	Comment	Evaluator Responses
Hamilton/ MCC EPG	p18, section 2.4	document states, 'Originally, the GPF intended to partake in five to eight grant partnerships over the life of the Compact, as well as a small grants program to support community development programs that enhance the outcomes of the larger grants.' Where does this come from? Not necessarily disputing it but was this ever put down on paper or is this assumed by the 8 PFS that were done by NREL?	This came from section 4.3 of the Aide Memoire. I have added the reference into the report.
Hamilton/ MCC EPG	p18, section 2.4	document refers to different parties involved in implementation oversight but should differentiate between MCA consultants (PMC) who were hired to serve formal roles in GPF implementation (technical review, grant program management, etc) and those MCC hired (TetraTech) to support MCC's oversight of the projects. these roles are very different. also, TOPE should perhaps be added here as they serve a vital role during construction similar to PMC's role pre-construction.	Thank you for this comment. We have added TOPE and PDU to the description.
Hamilton/ MCC EPG	p30, section 3.2.2, Eval Question 2	In order for this to benefit MCC, it would also be useful to compare how this model compares to traditional MCC project approach (i.e. identify candidate projects, use MCC investment criteria and 609g funded DFS to screen them, present findings to both country and IMC, make selection decision, sign compact, implement projects).	We have updated the language to reflect that the literature review will include other MCC models and approaches.
Hamilton/ MCC EPG	p30, section 3.2.2, Eval Question 3	When evaluating grant quality as a function of the facility's effectiveness, wouldn't it also be interesting to randomly sample grant proposals that were NOT selected to see if the facility and its selection criteria was successful in screening out bad proposals? would think at a minimum there should be a readout of how many concepts/projects at what value were submitted and how many at what value made it through facility screening to selection, TAPP grants (further study) and into construction.	We have updated the language to include a review of non-successful proposals as a component of question 3.
Gellerson/ MCC EA	13	Will SI comment at some point on the feasibility of expecting PLUP to be completed first and then implementing GP grants, all within the 5 year compact lifetime?	This is somewhat outside the scope of the evaluation questions, but portions of this were covered in the evaluability assessment phase of our work. If this comes up through the lines of inquiry, we will be happy to include it in the final report.

Reviewer Name/ Institution	Page Number	Comment	Evaluator Responses
Gellerson/ MCC EA	17	Report says "the GPF intended to partake in 5-8 grant partnerships over the life of the Compact as well as a small grants program..." So was the original thinking that each grant would be much larger than they turned out to be? Otherwise, how would all the GPF funding be spent?	According to the Aide Memoire, it was intended that GPF would provide \$5-10m for each partnership, and then the smaller grants would be used to "support small community development projects that enhance the outcomes of the larger 'anchor investments' in each of the eligible districts and landscapes provided."
Gellerson/ MCC EA	18	I'm not aware that any beneficiary analysis was done for the various GP grants	Footnote added to clarify the source of this analysis.
Gellerson/ MCC EA		It will be very useful for SI to try to shed some light on whether or not the GPF made a sustained long lasting contribution to efforts to reduce Indonesia green house gas emissions that goes beyond the various specific projects that were funded. That is, was there any demonstration effect that led to additional new and innovative applications of green technologies; or did the grants demonstrate that risks were manageable and thus encourage additional green investments (that would not have otherwise occurred), etc.?? Evaluation question 3 b. (p. 28) also touches on this issue.	Thank you. Yes, we believe that this will be covered under evaluation question 3b (under 'laying groundwork for future investment', for example).
Gellerson/ MCC EA		IMO the key sustainability issue is NOT whether the specific GPF funded projects are sustainable themselves, but rather will GP lead to additional green investments going forward?	Thanks for this comment. We explore whether GP will lead to additional green investments going forward in the data collection instruments, and will include relevant findings in the final report.
Gellerson/ MCC EA		Strongly suggest that SI try to obtain input from former MCC staffer in Indonesia Jim McNicholas (mcnicholas@icloud.com) who was heavily involved with the evolving design and implementation of the GPF after the Compact has entered into force	Many thanks for this suggestion. We will reach out to determine availability.
Patel/MCC M&E	12	On this sentence: "Due to the delays in implementation, the change in mechanism (from loans to grants) ...", it implies that we were previously only doing loans and then switched to only grants. My understanding was that previously both loans and grants were envisioned and then we switched to grants only. I think that's worth clarifying.	Thanks for this comment, we have clarified the text accordingly.
Patel/MCC M&E	16	In the Commercial RE box, I suggest adding a note about the fact that while 10 grants are technically still in implementation, many are in the process of being	Thanks for this comment, we have clarified the text accordingly.

Reviewer Name/ Institution	Page Number	Comment	Evaluator Responses
		terminated at the time of this report. It is likely that only 3-5 will remain active.	
Patel/MCC M&E	16	You can drop the eco-tourism/fisheries portfolio from the study (or note in the EDR that this portfolio was anticipated, but has not really materialized and therefore will not be studied)	Thanks for this comment, we have clarified the text accordingly.
Patel/MCC M&E	17	It's probably worth naming EMM and Kehati as the "Grant Program Managers (GPM)" of the Window 2 grants, since the GPM term is widely used when discussing GP.	Thanks for this comment, we have clarified the text accordingly.
Patel/MCC M&E	27	Type in justification for 1a: should say "tenet" not "tenant"	Thanks for this comment, we have fixed the error
Patel/MCC M&E	General	Not all pages have the page number showing at the bottom	Thanks for this comment, we have fixed this issue in the revised EDR.
Patel/MCC M&E	35	Re: having MCA-I send out the online survey. Do you think respondents may be feel reluctant to respond truthfully if the survey request comes from the GP Director? We'll have to think about who the right sender would be, such that they're known but won't be intimidating to respondents.	Thank you for this comment. We have amended the design report to request that the GP Director email all survey recipients to inform them of the survey, and SI will then email all recipients directly with the letter and survey link.
Patel/MCC M&E	37	For consistency, refer to "Window 1 Lead"	Thank you, we have made the appropriate change in the report.
Patel/MCC M&E	38	Suggest: MCA-I M&E Director and GP M&E specialist	Thank you, we have made the appropriate change in the report.
Patel/MCC M&E	38	ESP = Environmental and Social Performance. This applies to both the MCC and MCA-I ESP teams. For the MCC team, you can just say MCC ESP leads.	Thank you, we have made the appropriate change in the report.
Patel/MCC M&E	38	Missing key informants: MCC Gender & Social Inclusion lead (perspective on WEE grants and SGA team's work), MCC GP Project lead, MCC Energy lead, MCC economist (provide input on CBAs), MCA-I Economic Analysis team, MCA-I PDU leads (now managing the RE portfolio at MCA-I, bring perspective on evolution of GP design), MCA-I region manager(s) (do you want to re-interview them for this round?), GAST (re-interview?), GMT (re-interview?)	Thank you for these suggestions, we have added them to the interview list
Patel/MCC M&E	38	Additional key informants to consider: MCC fiscal accountability lead (can provide info on costs/payments), MCA-I GHG consultants (can provide their perspective on GHG modelling and likelihood of projects achieving GHG impact), former MCC GP project lead (I'll see if willing to participate in an interview), MCC GP consultants (overseeing W1 grant implementation)	Thank you for these suggestions, we have added them to the interview list

Reviewer Name/ Institution	Page Number	Comment	Evaluator Responses
Patel/MCC M&E	38	I don't recognize the role of Senior NR Manager	We have removed this individual from the KII list
Patel/MCC M&E	38	MoHA might not be the best GoI unit to discuss PLUP. Originally, PLUP was being linked to the geospatial information unit (BIG), though there might be a change on this. I suggest getting advice from the MCC and MCA-I PLUP leads.	Thanks. We have added a footnote noting that we will defer to MCA-I advise regarding GoI representatives
Patel/MCC M&E	41	Table 7: I wonder if it would be better to refer to the grants by grant number instead of the name. I'm not sure how recognizable the names are. On the other hand, perhaps it's better to list them this way to avoid issues with respondent identification?	We prefer to use the grant name to avoid issues with respondent identification.
Patel/MCC M&E	42	Note that for 3B some of the grants will have been terminated. In line with the comment in row 5 above, it would be interesting to get the perspective of grantees whose grants did not move forward. But you may have to structure the KII differently.	We have noted that this will include terminated grants, and we agree that their perspective is important for the evaluation
Patel/MCC M&E	42	I have shared the full set of 3B grants with you.	Thank you
Patel/MCC M&E	43	Suggest talking to the SI team working on the cocoa evaluation to prep for meetings with the cocoa grantees. They were in the field talking to the 3 W1 grantees in September.	Thank you. Yes, we have access to the Cocoa evaluation data, and see that some of the questions are overlapping, so this can streamline our KIIs. It is worth discussion to weigh the costs and benefits of re-interviewing these grantees and/or conducting site visits (perhaps to different locations than the Cocoa team visited)
Patel/MCC M&E	44	There are only 5 WEE grants (see p. 29 of M&E Plan): Koalisi Perempuan Indonesia, Women Research Institute, Konsorsium Koperasi KSU Karya Terpadu, The Samdhana Institute (Sumba Timur)+, Lembaga Pengembangan Masyarakat Swandiri, Perkumpulan Panca Karsa. Also see p. 213 of M&E Plan (Annex V) where you can find the grant numbers in the table (WE are listed as one of the portfolios). Are the 9 grant implementers noted in column 1 associated with just 5 grants, or was the #9 a mistake?	Thank you, we have corrected this error and updated the site selection accordingly.
Patel/MCC M&E	46	3.6 Challenges: It's not only not possible to measure long-term outcomes, but potentially any outcomes. The W1 cocoa projects should show some changes in farmer behavior by now, but I'm not sure any other grant outcomes (short or long-term) could be evaluated in Y5 of the compact.	Agreed. Language has been clarified to reflect this.

Reviewer Name/ Institution	Page Number	Comment	Evaluator Responses
Patel/MCC M&E	General	At some point in the report (once sampling is finalized) it would be helpful to include a table with a summary of the sample size by respondent type (e.g. MCC staff, MCA-I staff, GoI staff, grantee, implementers) and by data collection type (e.g. KII, FGD, and online survey).	We have included this table in Section 3.4
Foster/MCC W1 supervision	15	Gorontalo added as a new province under Swisscontact PGA amendment #3	Thank you, we have amended the text accordingly.
Foster/MCC W1 supervision	15	Table 1 - Roundtable for Sustainable Palm Oil = RSPO; should <b>not</b> be referenced as an Indonesian certification = ISPO	The RSPO is described as an "internationally recognized certified sustainable supply chain."
Foster/MCC W1 supervision	15	Table 1 - cocoa projects much broader than just to "promote certification", but instead includes efforts to increase productivity, incorporate agro-forestry, adopt Good Agricultural Practices (GAP) and support traceable supply chains.	Thank you, we have added this into the report.
Foster/MCC W1 supervision	17	Description of Window 1 suggests grant-making without mentioning the private sector co-financing requirement, which is a significant and critical part of the Window.	Thanks for this comment, we have clarified the text in section 2.3 accordingly
Foster/MCC W1 supervision	18	Is it important to have an ERR/cost-benefit-analysis for GP overall vs. individual grants? An overall ERR does not make much sense to me.	The RFP asks that we evaluate whether the Facility was cost-effective. As we note in section 3.2.2, we will be documenting the costs of the facilities, then looking at the validity of the ERRs/CBAs for each grant.
Foster/MCC W1 supervision	18-25	Literature review - seems we have already contracted for GHG emissions measurement methodologies assessment; why would we need SI to do it again? There is a lot of stuff here on climate funds; necessary for the EDR?	The literature review notes that though there are many methodologies for estimating GHG emissions, there are few reports that compare approaches. This information is helpful for us in assessing the effectiveness of the GPF as a model to reduce GHG emissions. Additionally, we are exploring other climate funds to determine their comparability to the GPF, and have found so far that these models do not serve as a strong comparison for GPF.

Reviewer Name/ Institution	Page Number	Comment	Evaluator Responses
Foster/ MCC W1 supervision	27	Table 3 (Question 3.a) How would SI be able to determine If "the approved grants higher quality than they may have been through other processes"?	The proposed methods for answering this question are in Table 4, Page 33. Without a counterfactual, we will be comparing the quality of proposals with finished grants; comparing grants under other mechanisms; and asking for KII perspectives regarding the quality of grants under this mechanism vs. others.
Foster/ MCC W1 supervision	27	Table 3 (Q.5) re: successes and challenges; would we want to add "lessons learned" here?	Thank you for this suggestion, we have included lessons learned in the evaluation question
Foster/ MCC W1 supervision	40	Site visits - any coordination of site visits for this eval with cocoa portfolio site visits? This doc lists several places that cocoa team will already have visited (Kolaka, Luwu Utara, Mamuju).	Thank you for raising this. We have revisited the site selection and are prioritizing grantees that were not covered through other evaluations.
Foster/ MCC W1 supervision	41	Table 7 (KII sampling) - same issue as above, duplication of cocoa evaluation team interviews and site visits	Please see comment above.
Foster/ MCC W1 supervision	43	Table 7 - how were W2 grantees chosen?	Please see columns 2 and 3 for an explanation of how W2 grantees were selected.
Rini Widiastuti/ ME MCAI	p32 on the Data Source of evaluati on question no 1	In addition to the effort by evaluator to come up with initial timeline of changes (ref para no3 in page 29); it may be useful to also frame the change in other dimension - not only time dimension. Design of GPF evolved at various level, both on the internal process in delivering the results which translated into revised SOP/business process/internal control system; refocusing the program by clearly defining the intermediate objectives from each window which later translate into the priority portfolios; and on how GPF contribute at the policy level which affect the GK strategy as well as engagement strategy with government. Data source should include board presentation materials, NO documents issued by MCC, inter office memo. KII will be CEO, deputy, GP director, Portfolio lead, PMC, GPM, MCC lead on GP, MCC management, board members who closely follow the evolution of GP, GAST team who kept all document, Pak Hari who lead the Bappenas unit/task force for MCAI, legal team in MCAI and MCC, and selected grantee.	Thanks for these suggestions. We have updated the data sources to include these recommendations; and will ensure that the timeline and accompanying narrative incorporate the numerous dimensions of change.



Reviewer Name/ Institution	Page Number	Comment	Evaluator Responses
Rini Widiastuti/ ME MCAI	p32 on the Data Source of evaluation on question no 1b	desk review materials should include the grant amendment of Petuah (grantee of GK). KII should add PMC, Petuah, and GK manager	Thanks for these suggestions. We have updated the data sources to include these recommendations
Rini Widiastuti/ ME MCAI	p32 on the Data Source of evaluation on question no 2	Evaluating effectiveness of GPF against the ultimate objective of GP (GHG and poverty) must take the following considerations into account: (1) GPF was never designed and equipped as 'grant facility' at the beginning; (2) the grants is open for anything under the sky of GHG and poverty reduction, and there is very limited information regarding the focus of intervention in the call for proposals. While the evaluation can proceed with the current approach, but in this context, more useful lessons learned will be obtained if the effectiveness is reviewed from different level of perspective - and not directly taken from GP objective- but also try to learn what happen at the process and output level. Desk review and KII interview should be able to retrieve information: (i) whether MCC or MCAI at the onset have common vision on how and what GPF is all about; (ii) whether GPF was designed to follow the common vision and what tools/enabling systems are provided at the onset, and (iii) how the facility evolved and equipped themselves with additional tools required to deliver objectives - and whether all these changes improve the effectiveness of GPF (at the process, output or outcome level).	Thanks for these thoughts. We capture some of this in the PEA, and will explore further during KIIs, as you suggest.
Rini Widiastuti/ ME MCAI	p30 on the MCC sustainability criteria	Strongly suggest to also take into account the Government's (represented by the board members) and MCAI management's sustainability criteria - because this is one of the issue that influence the evolution of GPF.	Thank you for this recommendation. We have not yet received any documentation of the GOI's sustainability criteria. Could MCAI please pass this information along?
Rini Widiastuti/ ME MCAI	p31 on the evaluation on question no 4	in the attempt to assess the benefits realized per dollar of expenditure, would that be possible to try to get the idea on how much costs goes into the 'risk reduction/mitigation' schemes that really relevant in the GPF context - where we actually venturing to uncharted areas using a half built vehicles that need constant repair along the way? :)	If the risk we are speaking of is risk that the project won't meet the projected benefits, or repayment risk (Window 3B), then we need to wait until there is a reasonable operational history. The projects in Indonesia have not been

Reviewer Name/ Institution	Page Number	Comment	Evaluator Responses
			operational for a sufficient time to fully address these issues.
Arief Sugito/ MCA Indonesia/ M&E	Abbreviation	BPN = Badan Pertanahan Nasional (National Land Agency)	This has been corrected in the revised report
Arief Sugito/ MCA Indonesia/ M&E	Abbreviation	PLN = Perusahaan Listrik Negara (State Electricity Company)	This has been corrected in the revised report
Arief Sugito/ MCA Indonesia/ M&E	10	Phara 1: The wording mostly quite sensitive as the reader would be also Indonesian Government. This needs to be reworded. For example: "Indonesia is also among the world's top three producers if greenhouse gases....." and the source is US Relationship with Indonesia. has this source provided opportunity of Indonesian Government to provide response or circulated to Indonesian Government for comments.	Thank you for this comment. We have amended the first paragraph so that it takes these sensitivities into account.
Arief Sugito/ MCA Indonesia/ M&E	10	Phara 2: that said " Over 70 million people do not have access to reliable and affordable electricity services". The source of data is The World Bank Electricity for all. Is this source available on line or this report has been responded by Indonesian government? again this is quite sensitive as ESDM statistic said that Indonesia electrification achieve 90% which means only 10% that has not been electrified (around 26 million people).	Thank you for this comment, we have updated the figures using a more recent source.
Arief Sugito/ MCA Indonesia/ M&E	10	Many word in the country context has strong negative tones this should be back up with strong data and the data has been verified or provided online which means this has been public. Otherwise, this will be very sensitive section.	Thank you for this comment, we have amended this section so that it takes these sensitivities into account.
Arief Sugito/ MCA Indonesia/ M&E	16	Social forestry includes also Hutan Kemitraan (Partnership Forest) besides the 6 type of forest that have been mentioned.	Thank you, we have added this to the description

<b>Reviewer Name/ Institution</b>	<b>Page Number</b>	<b>Comment</b>	<b>Evaluator Responses</b>
Arief Sugito/ MCA Indonesia/ M&E	17-18	Status implementation to date must elaborated the establishment of Project Delivery Unit (PDU) as a means to accelerate the development of RE projects as well as to maintain the quality met at least the Indonesia standard.	We have included the PDU in the revised summary and timeline
Arief Sugito/ MCA Indonesia/ M&E	27	The evaluation question should also assess the mechanism to establish the theory of change and program design as it may be the challenge in project implementation due to weak of assumption or evidence in design development.	The Evaluability Assessment considered the theory of change, design process, and assumptions with some preliminary findings. We have added some language to the justification for this question noting that findings will inform future design processes and approaches as well.
Arief Sugito/ MCA Indonesia/ M&E	37-39	It is also important to discuss with relevant Indonesian Government Ministry/ agency such as Energy and Mineral Resource Ministry that develops and manages the energy and mineral resource regulations, the Indonesia Investment Board (BKPM), the local Investment Board (BKPMMD).	Thank you for these suggestions, we have included them in the key informant list.
Arief Sugito/ MCA Indonesia/ M&E		It is also critical to discuss with other relevant development partners such the world bank, ADB, and DFAT as they also have similar infrastructure program related to RE in Indonesia.	Thank you for these suggestions, we have included them in the key informant list.
Ahmad/MC C GSI	General	Gender and social inclusion (GSI) aspects of Indonesia Compact and its 3 projects stem from MCC's Gender Policy 2011. The evaluator did not even review this or included as key document for review. Without understanding the MCC's GSI principles, how will SI even evaluate the process that were followed by MCC/MCA in promoting and achieving women's economic empowerment results? Suggest SI review MCC's Gender Policy, and include as one of the key documents.	Thank you for this comment. We have included the MCC Gender Policy as a key document in section 3.4.1 and will ensure that the team reviews it prior to data collection.
Ahmad/MC C GSI	General	One of the innovations of GPF was to develop a new methodology Landscape-Lifescape Analysis (LLA) to capture twin environmental and economic/social/gender objectives of GP - (1) GHG reduction and (2) productivity increase. LLA was initial situational analysis that all grantees conducted to understand environmental, social, gender, locational and economic risks, identified risk mitigation strategy, and adjusted investments	Thank you for this comment. We have included the landscape-lifescape analysis guidance as a key document for review, and the evaluation report will address this innovation if respondents bring it up during fieldwork.

Reviewer Name/ Institution	Page Number	Comment	Evaluator Responses
		accordingly. SI does not even mention LLA that helped grantees identify risks, adjust and achieve sustainable results. Suggest, SI include and review the LLA methodology and documents as key documents.	
Ahmad/MC C GSI	General	Social and Gender Integration Plan (SGIP), a key MCC required document for all Compacts and MCA was not even mentioned. Updated 2016 SGIP can be found in MCAI website, which details gender and social integration actions for the Compact as well as 3 projects, including a specific GP SGIP. SI needs to review and include as a key document.	Thank you for this comment. We have included the SGIP as a key document in section 3.4.1 and the team already has access to it.
Ahmad/MC C GSI	General	Each GP grants developed a project level SGIP (PSGIP), that provided a pathway on women's economic empowerment process and inclusion of marginalized groups in the project. Each PSGIP has a table that includes indicators for monitoring success. Suggest SI reviews these PSGIP and their implementation reports to explore how women's empowerment and benefits for marginalized groups were achieved. also what challenges were faced and how these were addressed.	The evaluation will not explicitly evaluate outcomes related to women's empowerment and benefits for marginalized groups; however, we agree that it is important to capture gender dimensions, and will incorporate questions into the data collection instruments that explore successes, challenges, and lessons learned as they relate to women's empowerment and marginalized groups
Ahmad/MC C GSI	37	SI states "explore critical success factors, challenges or barriers to success, and results at both the Facility and Portfolio levels, as well as gender." I hope this means whether women and men faced different challenges in participation and accessing benefits of GP. It will be useful if SI can also explore whether the potentially excluded groups such as the poor, ethnic minorities were able to benefit from GP. Did GPF and the grantees including specific approaches enabling these groups to benefit from GP investments?	Thank you for this comment. Yes, the evaluation will explore the ways in which grantees are reaching vulnerable populations - this is more evident in the data collection instruments
Ahmad/MC C GSI	11	SI states that "(MCA-I) committed to implementing environmental and social safeguards to minimize potential adverse environmental and social impacts resulting from mitigation activities, as well as meaningfully integrating women and vulnerable groups into mitigation activities."	Thank you for noting this. Did the reviewer intend to include a question or request an amendment to the report in relation to this statement?
Ahmad/MC C GSI	16	Women's Economic Empowerment (WEE) was mainstreamed in all GP grants, not only 5 WEE grants. As SI did not review MCC's Gender Policy and MCA SGIP, they totally missed this point. Suggest review PSGIPs and their implementation of each grants to document how women's economic empowerment and inclusion of marginalized groups were promoted and what are the results.	The evaluation will not explicitly evaluate outcomes related to women's empowerment and benefits for marginalized groups; however, we agree that it is important to capture gender dimensions, and will incorporate

Reviewer Name/ Institution	Page Number	Comment	Evaluator Responses
			questions into the data collection instruments that explore successes, challenges, and lessons learned as they relate to women's empowerment and marginalized groups.
Farley/MCC GP	15-16	W2 sustainable ag and re projects not adequately referenced/included in the description of the various portfolios - See master project list and categorization	Thank you for this comment, we have clarified the text accordingly.
Farley/MCC GP	15	IEA with BRG covers more than mapping - see IEA for details	Thank you for this comment, we have noted that the IEA extends beyond mapping, and other activities will be discussed in the report if they come up during fieldwork
Farley/MCC GP	16	Status of implementation to date is not current; timeline incomplete; timing for GPM seems off; RE portfolio only finalized in July 2017; W1 portfolio finalization date should be included	Thank you for this comment. This timeline is illustrative and built from the documents the team has reviewed thus far. The timeline will continue to be updated through data collection, and the most up-to-date timeline will appear in the evaluation report.
Farley/MCC GP	18	Description of the ERR process seems inaccurate -- CBA was done for each project as part of the selection process	The report states that GPF did not conduct an ERR or CBA for the entire GP project; rather, each grant completed an ERR or CBA.
Farley/MCC GP	19	Description of the ERR process seems inaccurate -- CBA was done for each project as part of the selection process	The report states that GPF did not conduct an ERR or CBA for the entire GP project; rather, each grant completed an ERR or CBA.
Farley/MCC GP	25	Policy relevance --MCC has implemented 42 grant facilities in some form - not a "few" and currently there are six active (including GPF) and several planned grant facilities with several going through some of the same challenges that GPF did (Benin II, Morocco, Niger). Attaching a spreadsheet with summary of active/planned. Policy relevance should include discussion of "private sector engagement", leverage and "matching" co-financing facilities as a main objective and reasonable evolution after the on-lending option was eliminated. W2 is the outlier with no required contribution. MCC and FIT is currently undergoing an analysis/discussion on how processes of developing	Thank you for the additional data. We have clarified the language accordingly and will ensure the evaluation team is fully aware of the other grant facilities and additional documentation MCC might have on the model.

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		grant facilities, defining their objectives and conducting DD and selection/award of grants can/should be streamlined and improved to better engage private sector to improve/achieve development goals. Dani, what do you think? Should the purple text be included in the policy relevance?	
Farley/MCC GP	37	KII - the current GP Project Director (Andry); AD W1 (Hery) are recent hires and not the best sources for understanding the evaluation of the design. This should be noted. Additionally, I am no longer the SD for Ag Land - the evaluation of that role should be made clear to SI. Kevin should be added to the list and I would consider including Loren Labovitch as he is nearby and certainly would cooperate. If appropriate. Himensh is another candidate from the early period.	Thank you for these suggestions, we have revised the KII list and will reach out to the individuals you suggested.

## 6.3 Evaluation Budget

Per MCC's instructions regarding sensitivities around future procurements, the evaluation budget corresponding to this Evaluation Design Report has been provided to MCC separately.

## 6.4 Significant Changes from Original Design

This annex documents decisions that resulted in material changes from the original design approved prior to fieldwork.

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### 6.4.1 SAMPLING APPROACH

Originally, the team sought to place greater emphasis on site visits to see how implementation was progressing in the field and visible prospects for sustainability. Once in Jakarta, though, it became clear that key informant interviews with a wider range of grantees would yield more useful data on GPF processes, policies, and procedures, as well as the interactions between grantees, contractors, MCA-I, and the government of Indonesia. Furthermore, we learned that several of the grantees selected for site visits had recently had their grants terminated due to lack of results (or other factors). As such, the sampling approach shifted to maximize the opportunities to meet with grantees across windows and portfolios, rather than to visit implementation sites across portfolios.

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### 6.4.2 SCORECARDS

The team had initially sought to use structured scorecards to assess grant quality and prospects for sustainability by completing independent scoring of pre- and post-TAPP grant applications, then comparing with the technical appraisal panel scores and scores for grant applications through similar facility-type grant mechanisms. However, the team was unable to identify other grant mechanisms that would serve as appropriate comparisons to the GPF, and grant applications to other facilities are not publicly available. Furthermore, the team was confident that they could assess GP's "value-add" to grant quality through qualitative methods, rendering the quantitative scoring unnecessary.