

Australian Government

Department of Foreign Affairs and Trade

Australian Aid



INVESTING IN THE FUTURE: EVALUATION OF AUSTRALIA'S CLIMATE CHANGE ASSISTANCE

OFFICE OF DEVELOPMENT EFFECTIVENESS

dfat.gov.au/ode

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Authors: Julian Gayfer, Kari Sann, Brian Dawson and Tracey McMartin

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For further information, contact:

Office of Development Effectiveness Department of Foreign Affairs and Trade GPO Box 887 Canberra ACT 2601 Phone (02) 6178 4000 Internet dfat.gov.au/ode

Cover photo: A man, woman and two children wade in water to gather seafood at low tide in Nuku'alofa, Tonga. Photo credit Pacific-Australia Climate Change Science and Adaptation Planning Program.

The Office of Development Effectiveness

The Office of Development Effectiveness (ODE) is a unit within the Department of Foreign Affairs and Trade (DFAT) which monitors the quality and assesses the impact of the Australian aid program. ODE conducts independent evaluations of Australian aid and quality assures DFAT's aid monitoring and performance systems. ODE also supports DFAT program areas to conduct evaluations. The Independent Evaluation Committee oversees ODE's work, providing independent expert advice on DFAT's Aid Evaluation Policy, the annual Aid Evaluation Plan, ODE's strategic evaluations, and ODE's annual work plan and activities. **dfat.gov.au/ode**

FOREWORD

Climate change and actions to address it are issues of increasing prominence internationally. While the attention and resources given to climate change in Australia's aid program have varied in recent years, climate change is now squarely on the agenda and its importance is reflected in the Foreign Policy White Paper. The momentum created by the UNFCCC process and the Sustainable Development Goals (SDGs) will only increase expectations that Australia, along with other donors, assist less advanced countries to pursue adaptation and mitigation actions.

This evaluation comes at a point when Australia is seeking to increase the profile of climate change in the aid program, by demonstrating real climate change outcomes and not just tracking the level of spending against commitments. The analysis of past and existing investments in this report identifies what factors support tangible aid outcomes in reducing emissions or increasing resilience to climate change. This provides important lessons for future programming.

The evaluation also looks at how far DFAT has travelled on its journey to integrate climate change into aid management policy, systems and processes, and maps out where the department could put its efforts to most effect and place it among peers who have a head start on this path.

The report acknowledges the important role other Australian government scientific and technical organisations play in the delivery of international climate change assistance. Their expertise, capacity and long-standing relationships, particularly in the Pacific region, have been and continue to be valuable assets for the aid program.

I am confident the lessons and insights from this evaluation will be a useful resource for both investment managers and those across the department who have a part to play in integrating climate change into DFAT's aid systems.

Jim Adams Chair, Independent Evaluation Committee

The evaluation team comprised three independent consultants, Julian Gayfer (team leader), Kari Sann (aid management specialist) and Brian Dawson (climate change expert). ODE officers Tracey McMartin (evaluation manager) and Sharon Lim (team member) were an integrated part of the team.

The evaluation team would like to thank the staff and management of DFAT's Sustainability and Climate Change Branch for their strong engagement during the evaluation. ODE is grateful to DFAT staff at the Australian Government's Suva Post and Honiara Post for facilitating the team's fieldwork. Special thanks go to Hanoi Post for assisting with remote interview arrangements at an extremely busy time.

Sincere thanks also go to the partner government officials, Australian government partners, implementing partners, past and present DFAT staff, and members of the evaluation reference group who were interviewed by the evaluation team, or provided feedback on the evaluation plan and draft report.

ACRONYMS AND ABBREVIATIONS

ACD	Contracting and Aid Management Division
ACIAR	Australian Centre for International Agricultural Research
AQC	aid quality check
AIP	aid investment plan
APG	Aid Programming Guide
AQC	aid quality check
BOM	Bureau of Meteorology
CBDRM	community-based disaster risk management
ССВ	Climate Change Branch
CePaCT	Centre for Pacific Crops and Trees
COSPPac	Climate and Oceans Support Program in the Pacific
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DFAT	Department of Foreign Affairs and Trade
DoEE	Department of Environment and Energy
DRR	disaster risk reduction
FTE	full time equivalent
FRDP	Framework for Resilient Development in the Pacific
GNSS	Global Navigation Satellite System
HPD	Humanitarian NGOs and Partnerships Division of DFAT
ICIMOD	International Centre for Integrated Mountain Development
INDC	Intended Nationally Determined Contributions

M&E	monitoring and evaluation
NDC	Nationally Determined Contribution
NAP	national action plan
NGO	non-government organisation
ODA	official development assistance
ODE	Office of Development Effectiveness
OECD	Organisation for Economic Co-operation and Development
OECD DAC	Organisation for Economic Co-operation and Development - Development Assistance Committee
PACCSAP	Pacific Australia Climate Change Science and Adaptation Planning Program
PAF	performance assessment framework
PNG	Papua New Guinea
PRRP	Pacific Risk Resilience Program
SDIP	Sustainable Development Investment Portfolio
SPC	Secretariat of the Pacific Community
SPREP	Secretariat of the Pacific Regional Environment Program
UNFCCC	United Nations Framework Convention on Climate Change

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EXECUTIVE SUMMARY

Introduction

Australia has international commitments to climate change assistance. In December 2015, at the 21st session of the Conference of the Parties in Paris, Prime Minister Turnbull announced that Australia would provide at least \$1 billion to build climate change resilience and reduce emissions in developing countries over the next five years.

In July 2016, DFAT elevated climate change action as a priority area for the aid program. DFAT is now preparing a climate change and development strategy, integration and implementation plan, which is scheduled for completion in 2018. This work builds on existing guidance and priorities established in the department, including through aid programming in a number of divisions across DFAT.

This evaluation examines 26 investments valued at \$641.2 million, with investments commencing between 2006 and 2014. It also uses a review of international experience to provide a theory-based framework for good practice climate change integration against which the Australian experience is considered. Data collection and analysis was conducted from April to September 2017.

The evaluation is forward-looking and designed to help guide and strengthen DFAT's efforts to shape an integration agenda on climate change action. It identifies key factors that led to the success of earlier investments within bilateral and regional aid programming. It also considers DFAT's internal structures, systems and processes, and whether these enable effective climate change programming in existing development priorities (mainstreaming) and in specific programming (targeted investments). Australia's engagement in multilateral climate change forums, such as the Green Climate Fund, is outside the scope of this evaluation.

Prior to the Paris Agreement, the priority given to climate change in Australia's aid program varied. Between 2010 and 2013, Australia was a contributor to the global initiative of Fast-start Finance, spending \$599 million on climate-related aid investments over this period. From this time to the Paris Agreement at the end of 2015, Australia did not provide dedicated additional climate financing, with climate action subsumed into general aid programming. Many of the innovative Fast-start partnerships and modes of implementation were not pursued, as programming choices were decentralised to Posts which also had to manage reductions in the broader aid program at this time. There was also a loss of climate-specific expertise from the aid program as funding and priorities changed. Following the Paris Agreement, there has been a renewed focus on climate change assistance.

Globally, other donors are continuing to shift their thinking and practice on climate change assistance. A review of the experience of bilateral donor agencies highlighted five domains of good practice on climate change integration: strategic clarity; financing; design and approval processes; monitoring and evaluation (M&E); and policy commitment and leadership. The evaluation used the findings of this review to help form recommendations to strengthen investment-level operations and organisation-wide capabilities for climate change integration. The evaluation also led to a limited number of strategic recommendations for DFAT to consider in relation to longer-term direction setting and ambition.

Investment quality and impact

The evaluation reviewed 26 investments (targeted and mainstreamed climate change objectives), representing a total value of \$641.2 million. The key findings from this analysis are:

• Around one-third of investments demonstrated outcomes relating to reduced vulnerability or increased resilience. Nine investments (35 per cent) have achieved, or are likely to achieve, significant, climate-relevant outcomes relative to their size and scope. A further nine investments have achieved, or are likely to achieve, some modest, climate-relevant outcomes. Benefits have been delivered in a range of adaptation areas: use of scientific data as a basis for better adaptation and risk planning; more integrated (cross-departmental) planning, legislative and policy changes that will have long-term, nationwide benefits; and tools and approaches to better manage the risks and plan for climate effects. While mitigation investments are less represented in the sample, there are some mitigation benefits through encouraging the uptake of solar, hydropower and off-grid energy to reduce the consumption of fossil fuels.

In general, the majority of investments proved effective in delivering outputs but overall there was less evidence of this translating to results at the outcome level—the focus of the evaluation. There were, however, some notable examples of targeted climate change investments delivering highly significant outcomes. The effective investments were developed using the internal design and technical support capabilities that were in place up until 2013.

- There are a number of success factors characterising those investments assessed to be more likely to
 produce significant climate benefits. These relate to the longevity of the engagement and the strength of
 the partnerships that are engendered between organisations, taking a development-first approach¹ to
 climate and disaster risk management, and being linked to partner country priorities with explicit climate
 or disaster-related outcomes. An example of a strongly performing investment is the Sustainable
 Development Investment Portfolio (SDIP) which was designed with a 12-year strategy. The Pacific Risk
 Resilience Program (PRRP) demonstrates the benefits of a development-first approach to climate change
 and DRR.
- Experience points to some important detracting factors. These include climate change objectives being added to an already congested list of project objectives, and projects with unclear objectives or a lack of clarity on what success looked like in terms of climate change outcomes.

¹ This approach mainstreams climate considerations into existing development priorities and associated planning and decision-making, rather than treating them as stand-alone issues.

- Technical assistance that is strategically positioned and blends skills and knowledge in both development and science has an important role to play at country and regional levels. Australian technical, research and policy bodies have highly regarded skills and strong regional relationships, two things that are essential for climate change action in the aid program. These skills and relationships could be better capitalised on through increased coordination among departments.
- There is scope for a stronger whole-of-government approach to climate change in international development. Australian technical, research and policy bodies have highly regarded skills, institutional capacity and strong regional relationships to offer, which are essential for climate change action in the aid program. There is opportunity to strengthen a whole-of-government approach to climate change, underpinned by clear strategic goals and framed by a DFAT-led monitoring framework, ensuring technical and development agencies work in partnership towards a common policy framework to deliver effective climate change programs.
- Gender and broader social inclusion dimensions to climate change action could be more effectively followed through. Gender outcomes were evident in around one-third of investments that had climate-related objectives. While gender may have been in the design, in many cases it was neither implemented nor monitored appropriately to describe or demonstrate outcomes. Gender outcomes were stronger in investments where DFAT was actively involved. There is little evidence of disability-inclusive development outcomes in investments where climate is a primary objective.
- Past investments show a tentative relationship between climate change and Australian security, trade, economic and diplomatic interests. There is evidence of intersections, complementary and conflicting, between Australia's climate change investments and other national policy interests, and of missed opportunities. There are significant opportunities in the integrated department to explicitly consider how trade and foreign policy can be furthered through climate change investments, and vice-versa.

Climate change integration

A review of international donors identified good practice on climate change integration that could inform Australia's approach. In drawing conclusions, the evaluation team recognised that DFAT is only 18 months into an integration process and that there have been early efforts led by DFAT's Sustainability and Climate Change Branch to address gaps in the department's systems and capabilities. The review also provided useful insights into the approaches adopted by other OECD DAC members in relation to climate change and their development assistance programs. The key findings from the review are:

- Despite recent gains, Australia has an opportunity to learn from its bilateral peers.
- An overarching strategy and implementation plan that articulates climate change goals and objectives for the aid program would provide greater strategic clarity on climate change action within DFAT.
- The internal design and approval processes and staff capacity within DFAT for supporting climate change action require strengthening.
- DFAT should routinely collect the information required to track the effectiveness of climate change investments at a whole-of-aid level.

Direction setting—regional and global contexts

The challenge—globally, regionally and nationally—is to move to a more climate-resilient condition, and to achieve a stabilisation and then reduction in global emissions. Australia has been contributing to this transition through ratification of the Paris Agreement, setting its own domestic targets and providing development assistance.

Combating climate change lies at the core of the SDGs—both as a single goal (SDG 13: Take urgent action to combat climate change and its impacts)—and as a critical factor in achieving seven other SDGs. Australia launched its first Voluntary National Review of progress against the goals in June 2018, including assessing efforts within Australia and where Australia has contributed to the efforts of other countries.

Australian government organisations have continued to operate in the region, supporting developing partner countries to respond to pressing climate challenges, helping to build their capacity and providing access to climate change-related science and technology. Partner country priorities are expressed through their Intended Nationally Determined Contributions (INDCs) and their national action plans. While many countries have INDCs, countries vary in the extent to which these have been integrated within, and ultimately implemented as part of, their national development planning. Countries' own priorities, wherever they are in their journey on this process, provide a natural point of alignment for development partners.

Australia is developing a strategic approach—post Paris Agreement—to how it will assist developing countries to build resilience to climate change and adopt less carbon-intensive development pathways. The direction and ambition it sets in relation to this will in turn dictate the nature and scale of the department's integration challenge. This will be outlined in the climate change and development strategy, integration and implementation plan expected in 2018.

Australia stands to benefit from the lessons learned by its peers in wrestling with the challenges of integrating climate change into their own practice. Strong and visible senior leadership on climate change across the department will support success.

Recommendations

Setting and pursuing a longer-term strategic direction

- 1. DFAT should further increase the profile of climate change in its overarching aid narrative and develop a strategy that clearly articulates its vision, goals and approach to implementation for climate change action across the aid program. The strategy should include:
 - a recognition of the importance of integrating climate change and DRR efforts
 - clear identification of sectors likely to benefit most from early mainstreaming efforts
 - overarching corporate-level indicators against which performance towards achieving climate change goals and objectives can be assessed over time
 - consideration of an accompanying public, annual climate change and DRR progress report that clearly identifies what Australia's ODA investments have achieved in terms of building resilience to climate change (and natural disaster more broadly) and reducing greenhouse gas emissions in partner countries.

- 2. DFAT's strategy for climate change in the aid program should consider strengthening whole-of-government engagement (that is, through partnerships based on an articulated vision and game plan). In particular, the strategy should reflect continuing support for Australia's strong technical, research and policy agencies to build relationships with partner countries which sustain a focus on development outcomes. Co-design of investments (as opposed to subcontracting their implementation), and active engagement of all partners in investment governance is critical.
- 3. DFAT should invest greater effort in informing development partners of Australia's actions to address climate change, beyond aid, as part of broader diplomatic engagement.

Improving DFAT organisational capacity for climate change integration—to facilitate the climate change integration process within the parameters it is currently working to.

- 4. Sustainability and Climate Change Branch should engage with other divisions within DFAT to further develop a set of program management practices that are fit-for-purpose for the demands of the forthcoming climate change and development strategy, integration and implementation plan. This process should address:
 - developing and implementing mandatory climate change screening procedures (across the whole program cycle) to ensure climate change considerations are embodied in aid investments with an early focus on priority sectors. This should include establishing processes within AidWorks to tag and track climate change finance flows in a more robust and systematic way.
 - establishing a stronger technical support capability, supplemented by greater use of external technical assistance at program and investment levels. Effective programming requires a balanced mix of internal and external expertise to provide support and advice during design, implementation and M&E.
 - increasing the level of climate change training and awareness across DFAT and introducing climate change as a key component of induction and pre-posting training. Focus initially on actions that will support the emergence of strong and visible leadership at different levels, and on changing parts of the DFAT system key to driving integration. Particular attention should be paid to supporting Posts, where much of the control over the agenda and resources for supporting climate change action now lies.
- DFAT should strengthen and expand its whole-of-aid performance monitoring and reporting systems to enable more effective and accurate tracking of the climate change outcomes. Immediate steps to be taken are:
 - climate change to form an integral part of DFAT's aid performance monitoring framework. It is
 recommended that DFAT does not establish a separate climate change monitoring and reporting
 system, but rather integrate climate change as a core element of DFAT's existing monitoring
 systems.
 - establish a clear set of high-level results indicators that program managers can report on, and against which DFAT's progress with climate change integration can be assessed. DFAT should consider adopting similar high-level mitigation and adaptation indicators to those used by other OECD donors.

Improving investment quality and impact—immediate action.

6. **Position Australia's efforts strategically in aid investment plans. AIPs should use a systems approach to identify opportunities to engage on climate change.** The AIP process could usefully analyse and consider:

- the effect of climate change on development priorities
- where Australia can best engage with the partner country on climate change issues
- how to best integrate climate change and DRR efforts into National Adaptation Plans and NDC delivery, thereby reducing the burden on partner countries and supporting a partner-led approach.
- 7. The Sustainability and Climate Change Branch should provide further guidance for mainstreaming climate change investments, focusing on sectors that will benefit most from early efforts:
 - Mainstreamed climate change investments need explicit climate change outcomes, clearly defined at the design stage and tracked through meaningful indicators and sound monitoring.
 - Where climate change is a secondary objective, the climate-relevant outcomes should be explicit in the design, accompanied by suggested implementation strategies and approaches to measurement.
- 8. Guidance for targeted climate change investments should:
 - **support a development-first approach** by mainstreaming climate considerations into existing development priorities and associated planning and decision making
 - **consider a minimum timeframe of five years**—this is critical to the building of trusted relationships, and for climate-related outcomes to emerge
 - explicitly consider gender and disability at design.

MANAGEMENT RESPONSE

Summary of management response

- DFAT welcomes the *Evaluation of Australia's Climate Change Assistance*. The independent evaluation was requested by the Sustainability and Climate Change Branch (CCB) at the beginning of 2017 to rigorously review the past performance of Australia's climate change investments, to assist in improving the effectiveness of climate change activities, and to inform the process of integration of climate action throughout the aid program. Publication of the report and its recommendations is timely as it follows *Opportunity, Security, Strength: The 2017 Foreign Policy White Paper*, which clearly articulates the deepening challenge climate change presents for Australia and its region, and recognises climate change as a priority for Australia's development assistance.
- This evaluation provides valuable analysis and insights that can directly inform more effective climate change action through the aid program. It identifies the key characteristics of investments that effectively achieve climate change outcomes, and those that are less effective. It underlines the value that whole-ofgovernment partners and technical experts bring to delivering effective and sustainable climate change action. The evaluation proposes some practical steps for improving the integration of climate change across the aid program.
- The department agrees broadly with all the evaluation's recommendations and with its conclusions. DFAT is encouraged that the recommendations are, overall, for actions DFAT is already undertaking or have planned to put in place in the near future. Throughout the year long analysis, DFAT has welcomed the evaluation's insights into how to improve what the department is doing, and the lessons learned and new approaches that DFAT must consider.
- The department recognises the importance of strengthening climate action in the aid program.
 Implementation of the evaluation's recommendations will require a realignment of resources, and in some instances will need tailoring to conform to existing departmental frameworks and processes.

In preparing this management response, the Sustainability and Climate Change Branch consulted with areas across DFAT, the Department of Environment and Energy (DoEE) and (formerly the Department of Climate Change and Energy Efficiency), Bureau of Meteorology (BOM), Commonwealth Scientific and Industrial Research Organisation (CSIRO) and Geoscience Australia.

Recommendation

RECOMMENDATION 1

Response Explanation

Agree

Action plan

(including responsible areas and timeframes)

DFAT should increase the profile of climate change in its overarching aid narrative and, in the medium term, develop a strategy that clearly articulates its vision, goals and approach to implementation for climate change action across the aid program. The strategy should include:

- recognition of the importance of integrating climate change and DRR efforts
- clear identification of sectors likely to benefit most from early mainstreaming efforts
- overarching corporate-level indicators against which performance towards achieving climate change goals and

DFAT's existing integration of climate action within its overarching 2014 aid policy, and its 2017 humanitarian strategy, is a solid platform for strengthening climate action in the aid program. DFAT has prioritised the sectors of infrastructure, DRR, and water security in producing technical guidance on climate change implications and is progressing work on others.

A Climate Change Action Strategy, as initiated by the Minister for Foreign Affairs in July 2017, will build on these efforts to outline Australia's commitment and approach to tackling climate change across the entire aid program. The value of a strategy was reinforced by the priority accorded to climate change in the 2017 Foreign Policy White Paper.

The strategy will address the suggestions in Recommendation 1, including to strengthen Australia's integrated approach to climate change action and building disaster resilience, and to identify the key sectors through which Australia's

DFAT will:

- Deliver the Climate Change Action Strategy in consultation with line areas, relevant government agencies and other external stakeholders. (CCB, by end 2018).
- Develop a PAF that will identify corporate-level indicators to assess progress towards meeting the strategy's objectives, and report annually through the APPR. (CCB and ACD, 2018–19).
- Assess how to utilise, improve and build upon DFAT's current reporting requirements and communication methods to enhance DFAT's approach for reporting of climate change action through the aid program. (CCB/ACD, 2018–19).

objectives can be assessed over time

 consideration of an accompanying public, annual climate change and DRR progress report that clearly identifies what Australia's official development assistance (ODA) investments have achieved in terms of building resilience to climate change (and natural disaster more broadly) and reducing greenhouse gas emissions in partner countries. support for climate action in the aid program will be focused. It will recognise the need to:

- incorporate climate and disaster risk in aid investment designs
- mainstream climate action into investments across programs and sectors, as well as to support targeted climate investments
- ensure implementation will be done in partnership—with Australia's country and international development partners, with nongovernment organisations (NGOs) and with the private sector.

Australia is already well along the path of integrating climate action across the aid program. Much of the detailed technical work has been completed, including:

- improving aid quality and reporting systems
- developing a robust and transparent methodology for tracking climate finance
- developing technical guidance notes for a number of priority sectors

• making climate change mandatory in the new Environmental and Social Safeguard Policy.

DFAT agrees it is important to improve and better communicate performance reporting on climate action in the aid program and has taken significant steps in this regard over the past year through the aid quality check (AQC) and aid program performance report processes. DFAT considers that the anticipated delivery of the Climate Change Action Strategy, and performance assessment framework (PAF) will answer the needs expressed in this recommendation, including the importance of better assessment of outcomes and impacts.

Climate action in the aid program is currently reported publicly in several forms, including: biennial national communication to the United Nations Framework Convention on Climate Change (UNFCCC); Australian Engagement with Developing Countries Part 2: Official Sector Statistical Summary (Green Book); annual reporting to Organisation for Economic Co-operation and Development's Development Assistance Committee (OECD DAC) on Rio Markers.

DFAT agrees that enhanced reporting and communication can play an important role in

improving aid effectiveness and strengthening Australia's diplomacy. DFAT will consider how it might do so in a way that utilises and builds on these existing reporting requirements, including on outcomes and impacts.

RECOMMENDATION 2 Australia's world-renowned environmental, DFAT will: Agree DFAT's strategy for climate change scientific, research and policy agencies have long 1. Ensure the Climate Change Action Strategy details in the aid program should consider been excellent partners for DFAT and partner the continued importance of, and approaches to, whole-of-government engagement countries on climate change-related aid. effective partnerships with whole-of-government (that is, through partnerships based Continuation and development of these partners into the future. (CCB, by end 2018). on an articulated vision and game relationships is fundamental to the effectiveness of 2. Ensure country, sectoral and global programs engage plan). Australia's aid program going forward, in particular with whole-of-government partners early in the in the Pacific region. design and/or implementation of climate action In particular, it should reflect projects. (All relevant areas of DFAT, ongoing). continuing support for Australia's The Climate Change Action Strategy will therefore strong technical, research and articulate and embed the long-standing importance policy agencies to build of partnerships to deliver effective climate change relationships with partner countries action through the aid program, and how DFAT will which sustain a focus on enhance these partnerships. development outcomes. Co-design DFAT acknowledges the evaluation's finding of of investments (as opposed to relatively higher effectiveness of projects where subcontracting their DFAT has engaged with partners early in their implementation), and active design and/or implementation. This assessment engagement of all partners in will inform all areas of the aid program as they investment governance is critical.

develop climate action projects.

RECOMMENDATION 3

DFAT should invest greater effort in informing development partners of Australia's actions to address climate change, beyond aid, as part of broader diplomatic engagement.

Agree

DFAT is encouraged by the evaluation's highlighting DFAT will:

of the critical value of this work, as it is a core element of Australia's diplomatic engagement at all levels—from ministerial to the activities of DFAT's network of overseas Posts. DFAT has further stepped up activity and Australia's domestic climate action has been very much part of bilateral diplomatic engagement in the region with development partners, as well as in global forums such as the Group of Twenty and the United Nations system more broadly. This has included Australia's signature and ratification of the Paris Agreement, 2017 Review of Climate Policies, and development of a National Energy Guarantee. The foreign policy, trade and security aspects of climate change have been key themes of the Foreign Policy White Paper, and of DFAT's submission to the Senate inquiry into the impacts of climate change on security.

Australia's domestic actions and discussions on regional climate policy issues also form part of the engagement undertaken by the Ambassador for the Environment in bilateral visits, which include regular programs throughout the Pacific and increasingly in Asia. Further intensify bilateral and regional policy discussions on climate change and enhance communication of Australia's climate change actions (both international and domestic) through its diplomatic network. (CCB and all relevant areas of DFAT, ongoing). These domestic actions and regional policy forums have usefully reinforced internationally the seriousness of Australia's commitment to combating climate change beyond aid in its region. This effort builds upon the implementation of the Prime Minister's \$1 billion climate finance commitment, and the mainstreaming of climate action through the aid program.

RECOMMENDATION 4

Sustainability and Climate Change Branch should engage with other divisions within DFAT to establish a set of robust practices in program management that are fit-forpurpose for the demands of the forthcoming climate change strategy. This process should address: Agree

 developing and implementing mandatory climate change screening procedures (across the whole program cycle) to ensure climate change considerations are embodied in aid investments This process was commenced upon agreement by the Development Policy Committee in July 2016 to mainstream climate action throughout the aid program. It is well advanced. Embedding of these practices in DFAT's program management frameworks will be supported by the strategy and its implementation toolkit.

Practices introduced to date include:

 The new Environmental and Social Safeguard Policy has introduced a consolidated approach to managing safeguard risks in the Australian aid program and mandatory requirements for screening and managing climate change and disaster risks. Under these, all new aid investments are screened for potential climate

DFAT will:

- Ensure that the Climate Change Action Strategy and implementation toolkit support DFAT staff to effectively consider, plan for and integrate climate change and disasters during the planning, analysis, design, implementation and M&E of aid investments. (CCB/ACD, by end 2018).
- Establish a dedicated climate action technical advisory capacity, to be available to Canberra and Posts in the development of climate action programming. (CCB/ACD, 2018–19).
- Complete the development of a climate change elearning module for all staff, including those undertaking induction and pre-posting training. (CCB/HPD/Diplomatic Academy, 2018–19).

with an early focus on priority sectors. This should include establishing processes within AidWorks to tag and track climate change finance flows in a more robust and systematic way.

- establishing a stronger technical support capability,
 supplemented by greater use of external technical assistance at the program and investment level. Effective programming will require a balanced mix of internal and external expertise to provide support and advice during design, implementation, M&E.
- increasing the level of climate change training and awareness across DFAT and introducing climate change as a key component of induction and preposting training. Focus will initially be on actions that will support the emergence of strong and visible leadership at different

risks regardless of monetary value or delivery mechanism at the approval to commence, concept note and the design stage in the aid program cycle.

- Climate change has now been included in the policy marker criteria in annual AQCs, mandatory for high risk and/or projects more than \$3 million.
- In AidWorks, DFAT has introduced policy and DAC markers for the use of program managers for reporting, and against which DFAT can assess progress for investments that focus on climate change. DFAT has also established a notification system to alert CCB to climate action projects.
- Over the past 12 months, CCB, in consultation across the department, has developed more robust criteria for tracking climate finance consistent with latest practice by other donors. These updated criteria were used for reporting in Australia's National Communications submitted to the UNFCCC in December 2017.

The implementation toolkit will provide practical advice and guidance to DFAT staff to effectively consider, plan for and integrate climate change and

- Explore options for in-person pre-posting training for officers responsible for climate change and DRRrelated projects. (CCB/Diplomatic Academy, by 2018– 19).
- Develop an awareness-level e-learning module to outline the requirements of the five environmental and social safeguards (including climate and disaster risks). (ACD, 2018–19).

levels, and on changing parts of the DFAT system key to driving integration. Particular attention should be paid to supporting Posts, where much of the control over the agenda and resources for supporting climate change action now lies. disasters during aid investment planning processes, and in the scoping, analysis, design, implementation and M&E of aid investments.

DFAT recognises that strong technical support is crucial for effective climate change action. A balance of internal and external expertise will be required to provide support and advice during design, implementation and M&E of aid investments. In establishing a dedicated climate change technical advisory capability to support climate action projects across programs, DFAT will need to consider the most effective models, including by learning from the experience of other donors.

Training and awareness-raising are key to ensuring staff are skilled and resourced to tackle climate change effectively. DFAT (CCB in consultation with DRR and the Diplomatic Academy) has commenced development of an e-learning module focused on building awareness of climate change and identifying opportunities for low emissions growth and building climate and disaster resilience in the Indo-Pacific region. Additional climate change awareness can be mainstreamed into existing RECOMMENDATION 5 DFAT should strengthen and expand its whole-of-aid performance monitoring and reporting systems to enable more effective and accurate tracking of climate change outcomes. Immediate steps to be taken are:

Agree

- climate change to form an integral part of DFAT's aid performance monitoring framework. It is recommended that DFAT does not establish a separate climate change monitoring and reporting system, but rather integrate climate change as a core element of its existing monitoring systems.
- establish a clear set of high-level results indicators that program managers can report on and against, which DFAT's progress

DFAT agrees that climate action performance reporting should be integrated and enhanced across the existing system, and that a separate reporting system is not the best approach.

As noted in the response to Recommendation 4, DFAT has already included climate change in a number of program management practices, including as a criterion in annual AQCs which form a part of DFAT's aid performance monitoring framework.

After the Climate Change Action Strategy is finalised, investment and program-level performance data (captured using AQCs and APPRs respectively) can be used to assess progress towards meeting the strategy's objectives, based on a PAF (refer to response to Recommendation 1).

DFAT will:

- 1. Following the Climate Change Action Strategy, develop a PAF to assess progress towards meeting the strategy's objectives. (CCB/ACD, 201819).
- Assess opportunities to strengthen the alignment of performance data captured using AQCs and APPRs with the Climate Change Action Strategy's PAF. (CCB/ACD, 2018–19).

with climate change integration can be assessed. DFAT should consider adopting similar highlevel mitigation and adaptation indicators to those used by other OECD donors.

RECOMMENDATION 6

Agree

Position Australia's efforts strategically in each aid investment plan (AIP). These plans should use a systems approach to identify opportunities to engage on climate change. The AIP process could usefully analyse and consider:

- the effect of climate change on development priorities
- where Australia can best engage with the partner country on climate change issues
- how to best integrate climate change and DRR efforts into National Adaptation Plans/NDC delivery, thereby reducing the burden on partner countries and

DFAT agrees that analysis of climate change should be considered as part of the AIP process, as one of the key issues that affects development in the relevant country or region. This would expand the understanding and scale of climate change action through the aid program, and directly inform the focus of aid program investments.

This would require the engagement of climate expertise early in the AIP process, and the development of appropriate guidance to support country and regional programs.

Integration of climate change and DRR efforts into national adaptation plans and NDCs is an important element of Australia's climate action planning with partners. Australia is a member of the National Adaptation Plan (NAP) Global Network and member of the Steering Committee of the NDC Partnership. To further this agenda in the Pacific, Australia has joined with the European Union, Fiji,

ould DFAT will:

- Ensure all climate change risks and opportunities are considered in AIPs, as appropriate, and early in the development of AIPs to ensure that climate change risks and opportunities have been considered. (CCB/all program areas, ongoing).
- 2. Develop guidance to support country and regional programs to analyse climate change risks and opportunities. (CCB/ACD, 2018–19).
- Link the Climate Change Action Strategy and implementation toolkit to the AIP section of the Aid Programming Guide. (ACD, 2018–19).
- 4. Continue to engage in planning discussions with partners to encourage the integration of climate change efforts into NAPs and NDCs, supported by Australia's membership of the NAP Global Network and NDC Partnership. (CCB/all program areas, ongoing).

supporting a partner-led approach.		Germany, Japan, Norway and the United Kingdom (UK), to support the Pacific NDC Hub, under the Partnership.	
RECOMMENDATION 7 The Sustainability and Climate Change Branch should provide guidance for mainstreaming climate change investments,	Agree	DFAT agrees on the importance of best practice guidance to assist country programs to clearly identify mainstreamed climate action as a primary or secondary objective.	 DFAT will: 1. Continue development of identified sectoral technical guidance notes. (CCB/HPD/relevant thematic areas, 2018–19).
focusing on sectors that will benefit most from early efforts:		Sectoral technical guidance notes have been developed over the past year and are available on the climate change implications for infrastructure.	 Ensure that the implementation toolkit provides guidance on identifying climate change outcomes at the design stage. (CCB/ACD, by end 2018).
 Mainstreamed climate change investments need explicit climate change outcomes, clearly defined at the design stage and tracked through meaningful indicators and good monitoring. 		DRR and water security. Notes on food security and health are underway, and others, including governance, education and peace and conflict, will follow. The implementation toolkit will provide practical	 Link the Climate Change Action Strategy and implementation toolkit to the AIP section of the Aid Programming Guide. (ACD, 2018–19). Continue to use internal and external technical expertise, as appropriate, to provide guidance to staff at Post. (Relevant program areas, ongoing).
 Where climate change is a secondary objective, the climate- relevant outcomes should be explicit in the design, accompanied by suggested implementation strategies and approaches to measurement. 		advice and guidance to DFAT staff to effectively consider, plan for and integrate climate change and disasters during design, implementation and M&E of aid investments.	

RECOMMENDATION 8

Guidance for targeted climate change investments should:

Agree

- support a 'development-first' approach by mainstreaming climate considerations into existing development priorities and associated planning and decision-making
- consider a minimum timeframe of five years—this is critical to the building of trusted relationships, and for climaterelated outcomes to emerge
- explicitly consider gender and disability at design.

Development first is a key principle of Australia's aid program. This also applies to tackling climate change: managing climate and disaster risk aims to build resilience of development investments; do no harm; avoid making vulnerabilities worse; and help to retain future development options.

Acknowledging the long time required for climate outcomes to emerge, the implementation toolkit will encourage longer timeframes for aid investments. Many climate change investments under the aid program are already scheduled over longer timeframes.

Climate change can exacerbate the difficulties already faced by vulnerable communities and groups within communities, including women, children, Aboriginal and Torres Strait Islander Peoples, and people with disabilities. Many climate change investments under the aid program are already considering gender and disability at the design stage, and this should become an explicit requirement. DFAT will:

- 1. Ensure that the Climate Change Action Strategy acknowledges the importance of a development-first approach to tackling climate change through the aid program. (CCB, by end 2018).
- 2. Ensure that the implementation toolkit articulates the benefits of longer timeframes for aid investments. (CCB/ACD, by end 2018).
- Ensure that the implementation toolkit provides guidance on assessing and responding to the impacts of climate change on gender, disability and other issues of social inclusion at the design stage. (CCB/ACD/relevant thematic areas, by end 2018).

CLIMATE CHANGE IN THE AID PROGRAM

1.0 CLIMATE CHANGE AND DEVELOPMENT EFFECTIVENESS

1.1 Policy context

Australia has made commitments to provide climate change development assistance. An historic global climate agreement was reached under the UNFCCC at the 21st Conference of the Parties in Paris (December 2015). At the conference, Prime Minister Turnbull announced that Australia would provide at least \$1 billion to build climate change resilience and reduce emissions in developing countries over the next five years. This includes the existing \$200 million commitment over four years to the Green Climate Fund, and the Prime Minister's announcement at the 2016 Pacific Islands Forum meeting that Australia will increase investment on climate change resilience in the Pacific to \$300 million over four years. The UNFCCC Paris Agreement also recognises the need for enhanced capacity building and technology transfer to less advanced countries, to which other Australian government agencies could make a substantial contribution.

In response to these commitments, in July 2016 the Development Policy Committee of DFAT agreed that climate change be elevated in the department as a development priority and that climate change considerations be pursued through a long-term and comprehensive approach. Future programming for climate change action will be through both incorporating climate change action into existing development priorities (mainstreaming) and specific programming (targeted investments).

Mainstreaming: within existing program priorities DFAT will consider and assess climate and disaster risks and opportunities at both strategic and investment levels. Mainstreaming can be defensive (protecting our existing investments or avoiding maladaptation²) or can enhance other development objectives.

Targeted investments: by providing opportunities for new investments that specifically target climate change and disaster resilience, DFAT can address very specific development needs and add value to the broader portfolio of aid investments.

Both approaches provide multiple entry points for DFAT and its whole-of-government partners to influence, support and collaborate with partner governments and regional bodies to progress commitments on climate

² Maladaptation is actions that lead to increased risk of adverse climate-related outcomes, increased vulnerability to climate change, or diminished welfare now or in the future.

change. In the evaluation we apply the term 'integration' to denote the totality of thinking and practice (including mainstreaming and targeted investments) that hardwires climate change action into DFAT's organisational engagement in support of its development goals.³ This means integrating climate change into development policy, networking, promotion, financing and leadership. It also means considering climate change in a way that goes beyond aid investments.

Increasing the profile of climate change in the aid program has significant potential benefits in relation to increased effectiveness and improved risk management for Australia's investments. It is also a complex undertaking given the number of stakeholders involved and the challenge of integrating a new priority into aid programming in a constrained budgetary environment. The evaluation report was prepared approximately 18 months after the Development Policy Committee decision. DFAT is in the initial stages of a change process requiring a concerted effort and strong leadership across different levels within the department's operating system.

Globally, countries are shifting their thinking and practice, recognising the significant changes in economic activity and in the behaviour of citizens that climate change demands on a local, national and international scale. The positive forces of political leadership, financial and human resources, and technology development are being deployed to address shared challenges. Combating climate change lies at the core of the SDGs—both as a single goal (SDG 13: Take urgent action to combat climate change and its impacts) and as a critical factor in achieving seven of the other SDGs. Australia launched its first Voluntary National Review of progress against the goals in June 2018, including assessing efforts within Australia, and where Australia has contributed to the efforts of other countries.

1.2 Climate change and the aid program

The place and relative priority given to climate change in Australia's aid program has varied over recent years. In 2010, developed countries pledged to provide USD30 billion in Fast-start Finance by 2012⁴ to kick-start mitigation and adaptation initiatives in developing countries, to produce lessons for future investments and support climate science. Australia committed \$599 million over three financial years (from 2010–11 to 2012–13) to this goal, as part of its continued commitment to support developing countries in their efforts to respond to climate change. This finance supported a range of activities to reduce carbon emissions, enhance technology development, and help developing countries adapt to the effects of climate change. These activities had the principal goal of climate action. They engaged a range of new partners such as NGOs and other Australian government organisations. The Fast-start Finance period was an unprecedented time in Australia's climate finance provision, coinciding with the scale-up more broadly of the aid program.

Since the conclusion of the Fast-start Finance period in 2013, and up until the UNFCCC Paris Agreement, Australia did not provide dedicated additional climate financing; climate action was included along with

³ This is also consistent with how most donors and multilateral organisations use the term 'integration' when referring to climate change.

⁴ For more information, Fast-start Finance, UNFCCC, Bonn, viewed 5 December 2017,

<http://unfccc.int/cooperation_support/financial_mechanism/fast_start_finance/items/5646.php>

other aid priorities in the budget process. With the move to subsume climate change assistance into the general aid programming cycle, many of the innovative Fast-start partnerships and modes of implementation did not continue within DFAT⁵ as programming choices were decentralised to Posts, many of which also had to manage reduced aid budgets. There was also a loss of climate-specific expertise from the aid program as funding and priorities changed. Today, Australia's climate finance (Figure 1) comes from counting an agreed share of funding to multilateral organisations, funding to the Green Climate Fund, and country and regional programming on a case-by-case basis where support for climate action has been prioritised.

Figure 1: The relative proportions of Australia's international climate finance in financial year 2015–16



In September 2016, DFAT established an interdepartmental Climate Change and Development Working Group. The working group is co-chaired by the assistant secretaries of the Sustainability and Climate Change Branch and the Development Policy and Education Branch. Membership comprises a broad range of DFAT policy and program areas, as well as other Australian government organisations with an interest in climate change and international development, such as the Australian Centre for International Agricultural Research (ACIAR), BOM, CSIRO, DoEE, and Geoscience Australia.

At the time of preparing this evaluation, the Sustainability and Climate Change Branch indicated its intention to seek senior-level endorsement of a climate change and development strategy, integration and implementation plan for the department in 2018. The working group will help develop and test the strategy. The ODE evaluation of climate change assistance was designed and timed to feed into this process of strategy formulation and early stage implementation.

⁵ A number of the Fast-start projects that were funded and delivered by the former Department of Climate Change and Energy Efficiency (now DoEE) are still being implemented.

2.0 THE EVALUATION

This section of the report sets out the scope and nature of the evaluation, and the overall approach and methods used to address the key evaluation questions. It introduces the five domains of good practice integration emerging from a literature review of international experience. These form a key part of the enquiry frame for looking at corporate practice and for the final analysis stage of the evaluation.

2.1 Evaluation purpose and objectives

In terms of process and product, the evaluation focused on two areas:

- How best for DFAT to move forward guided by experience: The evaluation was designed to identify operational lessons for incorporating climate change into design and implementation through assessing the performance of 26 past and current climate change investments, with a focus on effectiveness, sustainability and value-for-money.
- Informing those who shape and drive Australia's continuing engagement: The primary audience for the evaluation is management and staff of the Sustainability and Climate Change Branch, which has responsibility for promoting and supporting climate change programming across the department. Secondary audiences are the members of the Climate Change and Development Working Group, and aid program designers and implementers more generally.

2.2 Key evaluation questions

There are five key evaluation questions which have been further explored through related sub-questions.

Table 1: Evaluation questions and sub-questions

Key evaluation question	Sub-questions		
Effectiveness 1. To what extent has Australia's engagement in climate change reduced vulnerability to climate change as a result of targeted and or mainstreamed action?	Is there evidence that emissions are lower, or communities are more resilient (as defined by the literature review) as a result of Australian engagement?		
	To what extent are the five domains of effective climate change integration⁶ evident within DFAT?		
2. What factors have contributed to, or detracted from, the effectiveness of	To what extent has engagement with strategic partners (with a focus on Australian government partners, but also considering other partners) contributed to program delivery?		
Australia's engagement in climate change?	To what extent has gender and disability inclusiveness been explicitly considered in targeted climate change investments?		
	Are there any other factors that have contributed to, or detracted from, effectiveness on climate change?		
3. What is, or has been, the relationship between climate change action and Australian security, trade, economic and diplomatic interests?	Are there any examples of where climate change has been linked (positively or negatively) to security, trade or diplomatic interests?		
Sustainability	What evidence is there to suggest that adaptation/mitigation benefits will endure after the investments conclude?		
4. To what extent are the benefits of	What systems are in place to make sure these benefits will endure?		
continue beyond the life of the investments, and what systems are in place to make sure	To what extent have DFAT program priorities been aligned with national action plans on climate change?		
this occurs?	Is there any evidence to suggest or any examples where consideration of climate change has enhanced sustainability?		
Value-for-money	What methods are in place to determine that investing in climate change is good value-for-money?		
approaches that the department uses to establish value-for-money?	Have investment managers made delivery choices that demonstrate climate change impact and value-for-money have been sensibly balanced?		

2.3 Approach and methodology

The evaluation team, comprising three staff or associates from IOD PARC and two staff of the ODE, took an approach that was both forward-looking and theory-based.

Forward-looking: The evaluation is formative in nature. It tries to understand key factors that led to the success of earlier investments and consider the relevance of this learning given the challenges and

⁶ Section 2.3, Methodology.

opportunities that countries are facing in the post-Paris Agreement era. It also considers DFAT's internal structures, systems and processes, and whether these enable climate change programming to be positioned and actioned to fit within different operating contexts.

Theory-based: The evaluation uses a review of international experience to provide a theory-based framework for good practice climate change integration against which the Australian experience can be considered. The framework identifies five critical domains for good practice integration. At the centre is policy commitment and leadership. Other domains include strategic clarity, design approval and staff capacity, financing and M&E and reporting (Figure 2).



Evidence from cases: Evidence is drawn

from a series of cases representing a cross-

section of organisation-wide, country or regional, and investment-level approaches to Australian support to climate change action in Asia and the Pacific.

Examples of practice: Examples of good and poor practice have been identified and used in vignettes to illustrate different climate change integration approaches at a corporate, country/regional program and investment level.

Methodology

To help frame the evaluation, an **international literature review** was undertaken during the inception phase. The review focused on how 11 bilateral donors have integrated climate change into their portfolios and to what level of success, in order to identify five core elements of good practice climate change integration. When elaborated, these elements (described in Table) provide a high-level theory about what good practice climate change integration looks like in a development program.

Table 2: Domains of good practice climate change integration

Climate change and ODA strategic	Clear goals, objectives and outcomes for climate change exist within the agency
	Agency goals include clear mainstreaming objectives
	Goals, objectives and outcomes are supported by a clear, feasible implementation plan
clarity	Climate change and DRR policy agendas are closely aligned or integrated
	There is a long-term commitment (including funding) to integrate climate change
	Mandatory climate change screening occurs for all projects (design and approval)
Internal design and approval	Climate change impact assessments are undertaken for major projects with an identified climate change focus or link
processes and staff	Guidance documents and support tools exist to help program staff to integrate climate change at the design stage
capacity	Staff have access to climate change specialists, support units and helpdesks, and focal points
	Climate change integration training is available to staff
	Robust M&E systems, using appropriate adaptation and/or mitigation indicators, are in place
	Climate change indicators are part of DFAT's core ODA reporting at organisational level and part of a mandatory annual reporting process
Monitoring,	Departmental measures (indicators) and reports on how climate change has been mainstreamed across the portfolio are in place
evaluation and reporting	Tools and guidance on how to set up appropriate M&E systems for climate impacts exist
	Staff are adequately 'climate aware' and have the skills to monitor and report
	Reports document climate change impacts providing an insight into value-for-money, providing meaningful lessons learned, and guiding future programming
	Evaluation reports systematically incorporate and consider climate change
	Average share of total ODA funds tagged as climate change finance increasing (as an indicator of improved mainstreaming)
Financing	Bilateral expenditure between adaptation and mitigation (around 50 per cent) is balanced
	Multilateral versus bilateral expenditure (maximum of 25 to 30 per cent multilateral) is balanced
	Consistent and vocal senior management support exists for climate change integration
Policy commitment and leadership	Senior officials engage in policy dialogue on climate change with other development agencies and recipient countries at key entry points (for example, aid planning processes, general or sector budget support, public sector reform or other reviews)
	Performance, recognition and promotion system that rewards staff and leadership for effectively leading and delivering on the integration of climate change is in place

These domains of good practice provided the team with important lines of enquiry about factors that could contribute to, or detract from, the effectiveness of Australia's engagement and whether benefits are likely to endure. They also provided the basis for assessing Australia's integration efforts compared to other donors (Section 4).

Sampling

A total of 26 investments were included in the evaluation. All except one commenced before 2014. As the evaluation sought to assess the effectiveness of investments, it would be difficult to find evidence of outcomes for investments that are less than three years old.

Noting the limitations in DFAT's department-wide data availability and quality (Section 2.4), the team collated a list of potential investments that could be in scope for the evaluation, drawn from:

- investments identified by the Sustainability and Climate Change Branch—34 investments
- -Investments identified by Australian government partners (ACIAR, BOM, CSIRO, DoEE and Geoscience Australia)—more than 60 investments
- investments identified by the Gender Equality Branch as performing well or poorly-14 investments
- Investments that had been evaluated or reviewed individually as identified by the ODE list of operational evaluations—13 investments
- data in the DFAT stocktake of Pacific Climate Change Investments.

There was significant overlap, with some investments appearing in multiple lists.

Analysis of the final list of 40 eligible investments identified two countries and one region with the greatest number of investments to investigate (Pacific Regional, Solomon Islands and Vietnam). Investments in these countries/regions were purposively sampled. An additional eight investments (outside of these countries and region) were purposively sampled due to their high value, and/or their ability to provide more representative coverage of the aid program. One investments was from South Asia, 2 from Indonesia, 2 from Papua New Guinea (PNG), 2 from the Philippines and 1 from Kiribati.

The full list of investments in scope is in Annex 1.

Levels of analysis

- The key evaluation questions were explored through a series of **cases**, which analysed information at three levels (Figure 3).
- Investment-level progress: Charting the progress of 26 investments, where climate change was both targeted and mainstreamed, as well as activities focused on adaptation and mitigation. Data sources for the assessments included the full range of available investment documents. This included financial approval and design documents, annual performance reports and program evaluations, supplemented by interviews in Australia and overseas. Interviews were conducted with DFAT investment managers, senior managers, and representatives from other Australian government organisations, partner country governments, multilateral and regional organisations, and other donors.
- **Country/regional cases**: Programs where there are nodes of climate-related investments in the portfolio. These three cases looked at progress of relevant investments, opportunities for DFAT to engage with
partners on climate change in the operating context, as well as the structures, systems and support available at the country/regional and corporate levels to deliver on climate-related work. These cases also considered the relevant Annual Program Performance Reports and aid investment plans relevant to the investment timeframes.

• **Corporate case**: DFAT's central systems, policies and support for climate change integration. Referring to the above core elements of good practice climate change integration, the assessment used information provided by a range of areas within DFAT including Sustainability and Climate Change Branch, Risks and Safeguards Section and Investment Design Section. The evaluation also cross-referenced evidence of integration within the investment-level and country case analysis.



Figure 3: The three levels of enquiry

Following the enquiry stage, the evaluation team held a three-day analysis session in Canberra. The team assessed the available evidence against each key evaluation question and sub-question and identified key points for presentation in this report. Team members identified areas where operational practice needed to be improved. The strength of evidence was also tested for each sub-question. Where there were gaps, follow-up interviews and additional document reviews were conducted. Informed by the team's enquiry, the team generated a set of scenarios on the paths DFAT could take on climate change action within the aid program, and the corresponding features of the integration challenge. This helped the team to situate the findings and conclusions for the key evaluation questions within a broader strategic view on the global dynamic of support to countries on climate change action. It also provided the basis for developing a set of recommendations covering both operational and strategic levels.

2.4 Constraints and limitations

The terms of reference indicated two issues **out of scope** for the evaluation:

- **Comprehensive assessment of organisational mainstreaming strategies.** While the evaluation team asked DFAT country program staff comparative questions and reviewed documents and observed differences, it was not asked to examine DFAT's historical experience of mainstreaming strategies.
- **Core contributions to multilateral organisations** were excluded from the assessment. However, investments funded or co-funded by DFAT and managed by multilateral organisations were included.

Additionally, the team identified some limitations:

- Obtaining a comprehensive list of DFAT's climate change investments for sampling. An AidWorks search by DFAT's Aid Statistics Unit of investments where climate change was a primary or secondary objective returned around 3,800 minor activities. Consultation with the Sustainability and Climate Change Branch refined these to 34 significant investments and assisted in classifying these as adaptation, mitigation or mixed. This was augmented by information from the recent Pacific Stocktake, and from lists provided by other Australian government departments of their international climate change activities. While this was the best available source for identifying investments, it is not as comprehensive or exhaustive as it could be. Iterative consultations with Sustainability and Climate Change Branch staff throughout this process minimised the chance of missing significant investments.
- The timeframe **restricting investments sampled to only those commencing before 2014**. The evaluation sought to assess the effectiveness of investments, and the team believed this would be difficult for investments less than three years old. However, the age of the investments was a limitation to some areas of the analysis, for example climate change investments that explicitly addressed Australia's broader trade, security and diplomatic agenda were more likely to have commenced following the integration of the Australian Agency for International Development (AusAID) and DFAT in late 2013. Likewise, how gender equality and disability have figured in climate change investments and outcomes is likely to be better in later investments.
- Locating investment-level documents and appropriate personnel. Due to the need to answer evaluation questions around effectiveness and sustainability, investments that commenced from 2014 onwards were excluded from the investment sampling. Documents on the AidWorks system were reviewed, but the availability of documents was highly variable. For example, design documents and design appraisals were not always available, which made it difficult to understand to what extent climate change had been considered during design. Although it was possible to identify staff with some awareness of the investments, the age of some of the investments (some commenced as early as 2006) and staff changes due to postings and turnover, meant it was not always possible to paint a complete picture of the investment lifecycle.
- The Vietnam case study was conducted remotely. Due to a high level of competing demands on the Hanoi Post, the Vietnam interviews were conducted by telephone. While Post provided significant support setting up the interviews, there were fewer interviews than for other case studies. In some cases, the interviews were less in-depth in nature. As a result, the team had to rely more heavily on document review. The team did benefit from the 2016 *Review of the Australia–Vietnam climate change delivery strategy*⁷, as well as interviews with DFAT staff members at Post, delivery partners, and one interview with a senior Vietnamese government official. As with the Pacific Regional and Solomon Islands cases, DFAT staff involved in the management of past investments were sometimes no longer at the relevant Post but had returned to Canberra or were in another location. Where possible, these staff were interviewed in person.

⁷ Neefjes, K 2016, *Review of the Australia-Vietnam climate change delivery strategy,* DFAT, Canberra.

2.5 Ethical considerations

Managing conflict of interest: One team member (Brian Dawson) was the former Director Climate Change of the Secretariat of the Pacific Community (SPC), a former DFAT Climate Change Adviser, and a member of the recent Pacific Climate Change Program design team. While this experience brings an invaluable depth of knowledge and understanding to the Pacific Regional case, and historical context for climate change integration in the department, the evaluation team managed the potential conflict of interest in relation to the SPC Climate Change Program by ensuring Mr Dawson did not participate in interviews related to SPC or review-related SPC documents.

Both Julian Gayfer (Team Leader) and Brian Dawson are members of the adviser team working with DFAT for the SDIP. This is an investment addressing climate change which forms part of the South Asia Regional Program and is one of the notable cases reviewed for the evaluation. This potential conflict of interest was managed by ensuring that neither Mr Gayfer nor Mr Dawson were involved in interviewing people associated with SDIP, or undertaking review of, or commenting on, SDIP documents. Two other team members (Kari Sann and Tracey McMartin) undertook the analysis of SDIP documentation and conducted related interviews.

3.0 CLIMATE CHANGE INVESTMENTS

This section of the report details findings from investment and country case evidence. It addresses the key evaluation questions and provides operational lessons useful for future climate change programming. As outlined in Section 2.3, a purposive sample of 26 investments were selected for the evaluation.

3.1 Evidence of increased resilience and/or decreased emissions

The evaluation considered evidence of likely or actual outcome achievement and distinguished between activities, outputs and climate-related outcomes. Where an investment stopped short of articulating expected changes on the ground within design or other documents, the evaluation looked for evidence of increased resilience or decreased emissions.

The evaluation does not look only for evidence of end-of-program outcomes in the form of demonstrated increases in community resilience or decreases in emissions, but frames the achievements of investments at different stages of the logic chain (activities through to outputs through to outcomes) following the progression of expected results and acknowledging that evidence at the output level may signal credible progress towards outcomes.⁸ In this way, it also looked for other intermediate effects such as capacity developed and improved institutional arrangements.

Twenty-six investments representing a total value of \$641.2 million were assessed using this approach (Annex 1 lists the investments). Data sources included the full range of available investment documents⁹ supplemented by interviews in Australia and overseas with a range of stakeholders.¹⁰ Of the 26 reviewed investments, the evaluation found¹¹:

- seven investments demonstrated that significant climate-related outcomes had been achieved and that these outcomes were likely to have, or had already demonstrated, a significant policy or community-level impact. Another two investments are likely to produce significant climate-related outcomes, given more time
- nine investments have, or are likely to have, delivered modest outcomes but these were found to be less significant (that is, reach and impact are modest relative to the scope and ambition of the investment) or insufficiently progressed to identify the significance of the outcomes
- four investments provided evidence that, climate change outcomes are unlikely to be achieved as climate was given insufficient attention during design and program delivery, or as there was no way of discerning climate-related outcomes due to inadequate M&E
- two investments provided strong evidence that climate-related outcomes will not be achieved
- two investments provided evidence that climate change was not considered in design or implementation.

⁸ Hearn, S and Buffardi, AL 2016 'What is impact?' A Methods Lab publication, Overseas Development Institute, London, viewed 5 December 2017, https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/10302.pdf>

⁹ Financial approval and design documents, annual performance reports and program evaluations.

¹⁰ DFAT investment managers, senior managers, and representatives from other Australian government organisations, partner country governments, multilateral and regional organisations, and other donors.

¹¹ Assessments involved the professional judgement of the team, based on information from the data sources.

In summary, nine of 26 investments (35 per cent) have achieved, or are likely to achieve, some significant, climate-relevant outcomes relative to their size and scope. Another nine investments have achieved, or are likely to achieve, some modest, climate-related outcomes. Benefits have been delivered in a range of adaptation areas: use of scientific data as a basis for better adaptation and risk planning; more integrated (cross-departmental) planning, legislative and policy changes that will have longer-term, nationwide benefits, as well as targeted community-level awareness raising; and tools and approaches to better manage the risks and plan for climate change effects (Box 1 provides an example under the SPC Climate Change Program). While less evident across the sample, there are also mitigation benefits through encouraging the uptake of solar, wind, hydropower and off-grid energy to reduce the consumption of fossil fuels.

While it was relatively easy to identify climate-related activities and outputs, identifying outcomes was more difficult, as monitoring and the subsequent reporting of climate change results was often inadequate and inconsistent. This was particularly the case where climate change was not the primary objective of the investment. Of the four investments where climate change outcomes are unlikely to have been achieved, and/or where climate change was not considered in the investment, all identified climate change as a secondary objective. If climate change is a secondary objective, it would be helpful to have a climate-related outcome which is tracked over time through climate-related indicators (but this was generally not done).

Box 1: Increasing resilience with food crop nurseries in the Pacific

The SPC Centre for Pacific Crops and Trees (CePaCT) received funding under the SPC Climate Change Program (2009–15). One of CePaCT's core roles is to conserve the region's valuable food crop genetic diversity, and to develop and distribute climate-ready varieties to growers throughout the Pacific. Crops include varieties of banana, breadfruit, cassava, sweet potato, taro and yam, which are suited to a range of environmental conditions.

CePaCT staff worked with national agencies to develop and maintain local food crop nurseries using its curated collection of plant varieties. The resilience value of this work was demonstrated during recovery from Cyclone Pam in 2015. Tuvalu nurseries were able to respond to requests immediately following the disaster and distribute fast-maturing sweet potato seedlings to communities from their own stock. Prior to receiving support from SPC to build this system, Tuvalu authorities would have needed to request plant stock directly from SPC.

In some cases, climate change investments were rebranded in 2014 (for example, as food security, water security or disaster preparedness), as climate was de-emphasised in the Australian policy context. Staff and senior managers spent a considerable amount of time internally re-branding the work and many lost the ability to report on climate-related outcomes as these objectives and indicators were removed. Many other investments lost impetus and were closed early as staff incentives abated.

Five of the six investments that lacked any evidence of outcomes were delivered through multilateral partners (primarily the Asian Development Bank and World Bank). While these partners have strong climate-related safeguards and screening tools, which were often referenced in the mandatory paragraph in the Aid Quality Check (AQC) on Climate Risk Management, there was less evidence of DFAT being able to articulate climate results, or to discuss, for example, how decisions on infrastructure or financing were balanced with climate-related considerations. Ideally, decisions would consider both the adaptation factors (for example, drainage and sealing materials often described in reports) and the mitigation factors (for example, the fact

that building the road will increase traffic and how the subsequent increased greenhouse gas emissions would be offset).

Finding

Nine of the 26 investments (35 per cent) demonstrated significant climate-related outcomes, with benefits primarily delivered in a range of adaptation areas, with some evidence of mitigation benefits. Evidence of climate-related outcomes was easier to identify in investments that had climate change as a primary objective. However, where investments were delivered by multilateral organisations, progress towards climate-related outcomes was generally not well reported.

3.2 Features of investments demonstrating strong climate change results

The evaluation team analysed the investments that demonstrated climate-related outcomes to better understand the factors underpinning their success. Five core features emerged.

4. Long-term investments which built and deepened organisational relationships

The majority of investments had longer time scales, which has fostered the development of trusted relationships, and allowed enough time for outcomes to emerge from incremental progress (Table 3). Investments that demonstrated stronger outcomes were on average 8.3 years in duration, and no investment was less than 5 years. Investments that had lower impact were generally of shorter duration. An example of a strongly performing investment, the SDIP, was designed as a 12-year strategy with three investment cycles of four years each.

Investment	Investment timeframe	Duration
Climate and Oceans Support Program in the Pacific (COSPPac)	2010-18 Building on the Pacific Islands Climate Prediction Project (2003-12)	15 years
PRRP	2011-18	7 years
SPC Climate Change Program	2009-15	6 years
Philippines Disaster and Climate Risks Management	2006–17	9 years
SDIP	2013–16 (Phase 1) 2016–19 (Phase 2)	12-year strategy
PNG Disaster Risk Management Program	2010–15	5 years
Vietnam Community-based Disaster Risk Management (CBDRM)	2011–16	5 years
Vietnam Support to Respond to Climate Change	2011–16	5 years

Table 3: Duration of investments that have demonstrated (or are highly likely to demonstrate) significant climate-related benefits

Similarly, DFAT's support to COSPPac has involved 15 years of cooperation and relationship building between Australia's BOM, the SPC, the Secretariat of the Pacific Regional Environment Program (SPREP), Geoscience Australia and the meteorology offices in Pacific countries (Box 2). An inclusive design and governance arrangement enabled strong and trusted relationships to be developed. There are areas of mutual benefit. Australia benefits from monitoring and understanding climate-related data in the Pacific to have a more complete picture of regional climate change impacts. It also contributes to global weather reporting. The Pacific benefits from Australia's technical expertise and technology.

Box 2: Outcomes can take time to emerge

Geoscience Australia maintains earth monitoring stations to help measure sea level rise under the COSPPac program. They function as geospatial reference sites. These monitoring stations represent valuable infrastructure and have a number of other uses for Pacific countries beyond their intended use under COSPPac. They have constituted an important Australian contribution to establishing maritime boundaries in the Pacific and have been crucial for Pacific countries' pursuit of better land administration, including land titling. These two applications provide direct benefit to Pacific countries, enabling investment, establishing Exclusive Economic Zones, and advancing economic development more generally. These secondary benefits, which were not intended in the original design, emerged over time and have increased the value of the investment.

5. Development-first approach with planned engagement across and at different levels of the system

Traditionally, across international experience, climate change and disaster risks have tended to be managed as stand-alone activities outside of development policy and practice. They have often been externally driven or pilot in nature and have tended to focus on quick impact at the community level, at the expense of deeper engagement with government actors, making it difficult to sustain activities beyond the lifespan of projects.¹² Many development actors are now recognising that climate and disaster risks are largely rooted in unchecked development, which means the absence of controls or adequate consideration of all factors. There is a shift from a hazard-first approach to a development-first approach. Embodied in the nascent Framework for Resilient Development in the Pacific¹³ (2017–30), as well as World Bank climate screening tools, the approach aims to mainstream climate considerations into existing development priorities and associated planning and decision-making.¹⁴ The development-first approach begins with an understanding of the development goals in a given country or community, the inputs and conditions necessary to achieve those goals, and the climate and non-climate stresses that can impede progress toward those goals, in order to then identify priority adaptation measures.¹⁵

The Australian investments that were successful had a greater orientation to the development-first approach. They identify entry points into climate change and disaster resilience by analysing the country or sector development context and pinpointing where best to provide support. For example, the PRRP (Box 3) helped to strengthen risk governance by engaging multiple sectors in planning at national and provincial levels around climate and risk resilience. COSPPac identified sectoral entry points, helping the Solomon Islands Meteorology Service to work closely with the Ministry of Health to provide targeted information about malaria prevention. These entry points are often emergent and opportunistic, so the investments were flexible enough to scan the environment for opportunities to meet the needs of communities or other end users (for example, policy makers in different sectors who could use the climate-related information). While this flexibility is important, it is usefully planned into investments at the start and not left to chance.

¹² Selby, S and Jiwanji, M 2016, *Risk governance, building blocks for resilient development in the Pacific, policy brief*, UNDP, Australian Aid and Live and Learn, Suva.

¹³ The main aim of the FRDP is to integrate climate change and disaster risk management in one framework which in turn supports integration in mainstream development. How this is to be done, monitored and evaluated is still being worked out by the Pacific island countries.

¹⁴World Bank, National/Policy Level Climate & Disaster Screening Tool https://climatescreeningtools.worldbank.org/ncds/methodology-development

¹⁵ USAID 2014, Climate-resilient development: a framework for understanding and addressing climate change http://pdf.usaid.gov/pdf_docs/PBAAA245.pdf

Box 3: Using a development-first approach, the Pacific Risk Resilience Program

The PRRP works in four countries, Fiji, Solomon Islands, Tonga and Vanuatu. It aims to achieve effective integration of community risk reduction, preparedness and response to disasters with national and sub-national government plans and procedures. The 2017 independent evaluation of the program notes that while there are mixed results across the four countries, there are examples of strong success, evidence of government ownership and good prospects for program replication and scale-up.

The design for PRRP takes an integrated, whole-of-government approach to the management of disaster risk and links these to community-based issues, so engagement with a range of government levels and areas, and with civil society organisations and the community, is built into how the program is implemented.

PRRP also brings a development-first approach to climate change and DRR. Rather than starting with data and projections about climate and hazards as a way to assess risks and opportunities (a hazard-first approach), this approach begins with an understanding of development priorities and uses climate and hazard information to help prioritise actions to achieve those development priorities.

6. Partners had development focused and on-the-ground implementation experience

More effective programs were delivered by partners who had existing networks, linkages and credibility delivering development outcomes in the country context. Those that were particularly impactful, started with the needs of direct beneficiaries (impacted communities or policy makers) and used sound science and research to underpin their approach. Geoscience Australia drew on its expertise in spatial data and remote sensing to support the PNG Geohazards Division to produce ShakeMaps for different scenarios and landslide susceptibility maps for sections of the Highlands Highway for use by relevant provincial administrations. While this is not in itself an outcome directly related to climate change—much of the hazards outcomes are not directly weather-related in nature—this engagement has enabled the building of strong institutional relationships between Australian and PNG technical agencies, as well as the end users, of technical information such as international non-government organisations which are trying to provide more consistent community messaging on hazards. Geoscience Australia (along with BOM) are organisations that provide climate services as part of their core business. The evaluation found there was less likely to be sustainable development outcomes when the implementing partner was focused on research and/or scientific outcomes as the primary objective, rather than explicit climate change-related development outcomes.

7. Made explicit links to partner priorities and had clear climate or disaster risk reduction-related outcomes

Those investments demonstrating strong climate-related outcomes were designed to meet a country or regional need. For example, through COSPPac, BOM and Geoscience Australia were able to support SPC staff to conduct ocean modelling, which was then used in partner countries. They have also helped the Fiji Meteorological Services to build their technical capacity to provide professional training for University of South Pacific graduates to be work-ready for national meteorological service positions.

Conversely, some of the less successful elements of the Pacific Australia Climate Change Science and Adaptation Planning Program (PACCSAP)—Box 4—lacked clear outcomes. An independent review¹⁶ found weak linkages to Pacific Island climate change policies and plans. A greater emphasis on integrating the climate science work to adaptation policy and planning at the sector level would have increased the overall impact of PACCSAP in terms of delivering climate change resilience outcomes.

8. Strong internal climate change technical expertise used to ensure designs were appropriate

Box 4: Pacific Australia Climate Change Science and Adaptation Planning Program—Some success in achieving climate change and resilience outcomes but potentially missed opportunities.

PACCSAP was managed by the Department of Climate Change and Energy Efficiency, and subsequently the DoEE, with elements delivered by BOM, CSIRO and Geoscience Australia. The expected outcomes included increased use of climate science by national meteorological services, production of country-specific climate projections and adaption planning information, and improved adaption planning and decision making based on climate science. The program had two key areas of work—a climate change science stream largely implemented by CSIRO and BOM, and an adaptation planning component implemented by DoEE (with inputs from other whole-of-government agencies). While under one program umbrella, these effectively operated as two separate streams of work.

The evaluation found that the climate change science component delivered several substantive outcomes that have made a lasting contribution to the Pacific region. Key outcomes included: a significantly improved understanding of climate change science and processes at work in the Pacific, the production of detailed climate change projections for the Pacific islands region that informs future adaptation planning, and increased uptake and use of climate science across the Pacific (especially by regional met service agencies). BOM and CSIRO also made, and continue to make, a significant contribution to building the human and technical capacity of Pacific meteorological agencies. These will have sustained benefits for the Pacific region over coming years. In the adaptation planning stream there is less evidence of substantive outcomes delivered through PACCSAP (and its precursor PASAP). This is also consistent with the findings of the 2013 independent review which highlighted several areas of weakness in terms of program impact. The work undertaken was heavily project-based and piecemeal, not well integrated with national and/or regional climate change adaptation planning processes, and not well integrated with other Australian climate change investments at country and regional program levels. The review also noted that PACCSAP investments were not seen as high priority by participating countries, indicating a relatively low level of alignment with national priorities and reflecting the supply-driven nature of the Fast-start Finance funding.

Although many of the adaptation planning stream projects were useful in their own right, and delivered meaningful outputs in a project sense, there is little evidence that they have had any sustained outcome in terms of improved resilience, scale-up and replication, or an impact on adaptation planning and policies. The climate science stream produced high-quality climate science information that could inform a range of end users across different sectors, however there was no clear mechanism to support its use in the adaptation planning stream. There are few examples of efforts to apply the new science knowledge across the key impact sectors (for example, agriculture, fisheries and health). This is viewed as a potential missed opportunity that limited the overall impact and usefulness of PACCSAP in terms of future adaptation planning frameworks and policies. Linking science and technical work with core development and economic livelihood outcomes is critical to building climate resilience.

PACCSAP was primarily science focused, and there appeared to be an assumption that use in adaptation planning would follow. Recognising that climate change is a highly technical area for which science is essential, skills and knowledge in both development and science are required, and knowledge needs to be applied at the sector level to be relevant.

The majority of the investments that were successful benefited from at least some access to internal climate technical advice (2010–14). In a number of the investments that had significant climate outcomes, there was evidence of climate advisers providing input into designs and providing advice during various stages of

¹⁶ Hunnam, P 2013, Review of the International Climate Change Adaptation Initiative 2008–2013, DFAT, Canberra.

program implementation. Although the level of technical support available to managers has been relatively limited to date (especially post-2013), there is evidence that where it did exist it contributed to improved design and investment outcomes. Several investments have drawn more extensively on external contracted expertise, and this has also provided important support to program managers and project design processes. Programs that had less success, such as the Kalimantan Forest Carbon Project, suffered when the staff managing the program lacked the technical capacity to identify weaknesses in the external advisory support they received. While delivery of the individual commitments within the *Australia – Vietnam Climate Change Delivery Strategy (2011–2016)* continued beyond 2014, the limited access to technical support was a constraint in terms of the momentum of projects. Investment managers placed significant value on having access to either internal or external expertise to support more generalist program managers. They were found to be useful to test ideas, and to provide advice on climate-related issues associated with their planned investments, thus enhancing the ability to deliver climate change-related benefits.

Findings

Investments more likely to produce significant climate benefits:

- are longer-term engagements (greater than five years), that facilitate and support longer-term partnerships and relationships
- use a development-first approach to climate and disaster risk management (rather than a hazard-first approach), and mainstream climate considerations into existing development priorities and associated planning and decision making
- are implemented by partners with strong experience in using science to drive development outcomes
- are explicitly linked to partner country needs and have explicit climate or disaster-related outcomes
- are supported by appropriate technical expertise (mix of internal and external) during the whole project investment cycle.

Investments where the evaluation found no (or very limited) evidence of progress towards climate change outcomes were characterised by having climate change as a secondary objective and with no associated definition of an outcome to be pursued and/or tracked.

3.3 Engagement with strategic Australian government partners

Many Australian government agencies are involved directly in the delivery of climate-related development assistance. Of the 26 investments reviewed, 11 were delivered by, or had significant input from, other Australian government agencies—predominantly ACIAR, CSIRO, BOM, DoEE and Geoscience Australia.

The cluster of investments selected from the Pacific regional program lent themselves to analysis of DFAT's engagement with strategic partners, as four of the five investments involved Australian government organisations working with Pacific regional organisations to deliver development outcomes under a variety of arrangements. Some of the findings are particular to the Pacific, while others may provide lessons for engaging with partners in other contexts.

Australian government organisations possess a wealth of technical and scientific knowledge regarding climate change and the environment. DFAT's engagement with these organisations for the delivery of the aid program offers a number of benefits for the quality of investment outcomes and for Australia's broader policy interests in comparison to delivery through a commercial partner. In addition to world-class technical capability, staff of Australian government organisations have long-standing relationships with their Pacific peers. A 2016 ODE evaluation of the partnership between Australia and the SPC¹⁷, for example, found that there were well established, collaborative relationships between other Australian government agencies and SPC staff. A factor identified was greater continuity of staff compared with DFAT, allowing them to invest in relationships over the long term. Some technical staff had moved between the Australian Government and SPC over the course of their careers. These relationships are an asset. Their Australian government identity and the branding of their work make Australia's assistance more visible and enhance Australia's reputation.

Some Australian government agencies have a direct mandate to conduct international work. BOM has obligations to support capacity in developing countries in the South Pacific and parts of Southeast Asia as a member of the World Meteorological Organization. Geoscience Australia supports regional capacity development through the United Nations Global Geospatial Information Management Committee. Due to Australia's international obligations under the SDGs, increasingly DFAT and other government organisations are required to engage in capacity development or provide other assistance to less advanced countries in their fields of expertise.

Additionally, being able to work on funded development programs helps Australian government organisations build skills in new areas of work. The Philippines Disaster Management program enabled Geoscience Australia to develop a multi-hazard risk assessment of critical infrastructure, and work undertaken in Indonesia improved Geoscience Australia's inundation modelling. Tools developed under funded development programs have to some extent been brought back to Australia and used in domestic work.

The evaluation identified some challenges with whole-of-government delivery. For aid investments delivered through, or with, whole-of-government partners it is important that DFAT clearly articulates its strategic

¹⁷ ODE 2016, *Evaluation of the partnership between the Pacific Community (SPC) and the Government of Australia*, DFAT, Canberra, viewed 5 December 2017, http://dfat.gov.au/aid/how-we-measure-performance/ode/other-work/Pages/evaluation-of-the-secretariat-of-the-pacific-community-government-of-australia-partnership-final-report.aspx.

goals. Informants in other Australian government organisations indicated that they were not aware of DFAT's strategic objectives for climate change investments in the Pacific. Without an understanding of the policy context in which to frame their perspectives about risks and opportunities, it is difficult for partners to contribute fully or to respond flexibly to changing circumstances while staying relevant to strategic goals.

Related to this, a number of informants expressed a desire for better partnering with DFAT, including greater involvement in investment design and governance, as they believed DFAT still largely interacted with them as service providers. DFAT is not alone in this, however. The evaluation found instances of parallel support by different Australian government organisations and of subcontracting behaviour among that group. At times there was poor coordination and some elements of interagency rivalry for ODA budget.

There are clear advantages to good partnership between DFAT and other government agencies for the delivery of climate change-related aid. The level of collaboration among Australian government agencies and with DFAT has been inconsistent and is made harder by the lack of a common policy framework or joint country planning processes and robust monitoring arrangements that enable tracking of the whole engagement. This leads to fragmented programming and less focus on development outcomes. This analysis resonates with findings from a 2012 ODE assessment of whole-of-government delivery of international development programs in the law and justice sector.¹⁸

Finding

Australian technical, research and policy bodies have highly regarded skills, institutional capacity and strong regional relationships to offer, which are essential for climate change action in the aid program. There is opportunity to strengthen a whole-of-government approach to climate change, underpinned by clear strategic goals and framed by a DFAT-led monitoring framework, ensuring technical and development agencies work in partnership towards a common policy framework.

3.4 Gender and disability inclusion

Six of the 26 investments (23 per cent) demonstrated evidence of gender-related outcomes. Sixteen investments had climate change as a principal objective, of which five (31 per cent) demonstrated gender-related outcomes. This suggests a significant missed opportunity for greater impact and relevance. A number of the investments that did not demonstrate gender-related outcomes had gender explicitly in the design, but these features were not implemented (for example, the initial gender analysis was not conducted or was inadequate, or appropriate resourcing in line with the gender action plan was not provided), or the M&E was not set up to adequately explain and support continuous reflection on the gender and inclusion dimensions. Two examples of improved gender outcomes are outlined here:

• Through DFAT advocacy and processes, all seven partners in the SDIP were supported to focus on gender equality. This includes gender being built into all indicators, reporting requirements, investment strategies, the annual dialogue process and through engagement with desk and Post. Interviews and reports suggest a cultural shift within CSIRO about how the organisation considers gender in their

¹⁸ ODE 2012, Building on local strengths—evaluation of Australian law and justice assistance, DFAT, Canberra, viewed 5 December 2017, http://dfat.gov.au/aid/how-we-measure-performance/ode/other-work/Pages/building-on-local-strengths-evaluation-of-australian-law-and-justice-assistance.aspx

modelling approaches. Additionally, DFAT, CSIRO and the International Centre for Integrated Mountain Development (ICIMOD) are collaborating on the design, development and trialling of a gender-sensitive and socially inclusive approach to program M&E that will enhance how change for those of different genders in South Asia is captured, understood and reported.

 The CBDRM program helped to shift Vietnam's approach to building resilience at community level using both a bottom-up and top-down approach. The program was instrumental in brokering the new Vietnam Disaster Risk Management Law (Decree) that clearly sets out a gender-sensitive process of community engagement and disaster risk management planning.

DFAT is recognised by the OECD as a leader in gender mainstreaming.¹⁹ Its strong stance on gender as a cross-cutting issue, through strong ministerial leadership, specific gender integration targets that are monitored annually, and in-house technical expertise have enabled DFAT to make progress on consistently raising and addressing gender disparities. However, the evaluation finds that while the DFAT processes are good prompts for considering gender outcomes, they are less likely to be considered when DFAT is not actively involved in the management of the investment. For example, where there is only periodic engagement with multilateral partners on a steering committee, or where other government departments are leading the investments and DFAT is not meaningfully engaged in managing delivery.

There was less evidence of investments considering disability-inclusive approaches to development. There were isolated examples such as the Solomon Islands Education Program where classrooms were built to be disability inclusive. The lack of evidence is perhaps not surprising as disability inclusion became a development priority in 2015 (subsequent to the commencement of all the investments included in the evaluation) and is not yet comprehensively mainstreamed.

Finding

Gender outcomes were evident in around one-third of investments that had climate-related objectives. While gender may have been in the design, it was either not implemented or monitored appropriately to describe or demonstrate outcomes. Gender outcomes were stronger in investments where DFAT was actively involved in the management and governance of the investments and it was hardwired into program design, review and reporting processes. There is little evidence of disability-inclusive development outcomes in investments where climate change action is a primary objective.

3.5 Relationship between climate change investments and security, trade, economic and diplomatic interests

As part of a broader perspective on effectiveness, the evaluation sought examples of interactions between climate change investments and other national policy interests. The presence of any synergies or tensions was intended to be for illustrative purposes and was not considered part of the assessments regarding investment performance, as all investments included in the evaluation commenced prior to the integration of AusAID and DFAT. As such, they were unlikely to have explicit outcomes relating to broader DFAT policy interests. Some examples where the climate change investments may have delivered outcomes—intended

¹⁹ OECD 2014, Mainstreaming cross-cutting issues: advancing gender equality and environmental sustainability, OECD, Paris.

and unintended—relevant to Australia's development, trade and diplomacy objectives are outlined in this section. However, based on the finding of the evaluation there was no clear link identified with broader trade and diplomacy issues in the investments reviewed. This is an area that needs to be strengthened in future given that economic growth, trade and regional security will be affected as the impacts of climate change build over time. This has potentially significant implications for Australia's future trade prospects (both positive and negative) and regional security (especially in relation to climate events that impact on food, water and energy security, human displacement and losses from disasters, and adverse changes to economic livelihoods). These broader economic and security considerations will become increasingly important in aid programming.

Australia's diplomacy role shepherded an important economic project through early turbulent waters: For the last eight years, Australia has supported the design of the Tina River Hydro project in the Solomon Islands. The purpose of this flagship project is to reduce electricity supply costs and reliance on diesel. This has a number of benefits including a more attractive investment environment and cheaper domestic electricity. It will also have climate-related benefits in the longer term, significantly reducing greenhouse gas emissions. Greenhouse gas emission reductions are not a major driver for the investment, but a useful secondary benefit. In the early days, the World Bank was considering other investment options after local landowners raised concerns over the process and outcomes of the initial feasibility study. DFAT used its diplomacy role to help broker a solution between the World Bank and the Solomon Islands Government that would satisfy local landowners. This led to a successful process of landowner negotiations resulting in the first compulsory land acquisition by the Solomon Islands Government. The project has recently received USD86 million through the Green Climate Fund to support construction costs. Australia also supported this application process.

Trade benefits in taro evident in the Pacific: Wetter conditions lead to increased incidence of taro leaf blight, a crop disease. Samoa's taro crop was badly affected by this disease. Under the SPC Climate Change Program, CePaCT developed a number of resistant varieties that it was able to test and distribute throughout the Pacific. While this helped the Samoan agriculture, sector recover and re-establish this important food crop, it had another flow-on benefit. The new varieties also had improved export potential, and the volume of monthly taro exports from Samoa to New Zealand and the United States increased four-fold following the launch of blight-resistant and drought-resistant taro varieties.²⁰

Trade rationale for investing in Indonesia's National Carbon Accounting System: Australia's support to Indonesia's National Carbon Accounting System under the Australia – Indonesia Forest Carbon Partnership, was partially driven by Australia foreseeing a need to access forest carbon credits from Indonesia under the UNFCCC international emissions trading facility. This subsequently struggled to materialise. Australia was aware it might struggle to meet its own carbon targets and therefore wanted a system in Indonesia, a source of carbon credits given its vast forest resources, which would be compatible with Australia's carbon accounting system.

²⁰ SPC Land Resources Division 2015, *Samoa launches new taro export varieties*, SPC Land Resources Division, Suva, viewed 5 December 2017, http://lrd.spc.int/our-work/genetic-resources/centre-for-pacific-crops-and-trees/samoa-launches-new-taro-export-varieties

Climate data from the Pacific, collected under COSPPac, improves the accuracy of Australian climate modelling (Box 5).

Box 5: Climate and Oceans Support Program in the Pacific—Geoscience Australia perspectives on the link between aid and other policy interests

Pacific sea level monitoring operates under the COSPPac. One of the program's aims is to provide information on the effects of absolute sea level change and variability of extreme events on South Pacific communities.

Sea level change is determined using levelling surveys of data from earth monitoring stations and tide gauge sensors. The earth monitoring stations, implemented and maintained by Geoscience Australia, provide Global Navigation Satellite System (GNSS) measurements and therefore function as geospatial reference sites.

A global network of monitoring stations is needed for satellite missions. The Pacific network of monitoring stations, combined with those in Australia and Australia's Antarctic network, provide coverage for around 25 per cent of the globe. This network has given Australia a seat at the table in a number of regional and international forums, including the United Nations Committee of Experts on Global Geospatial Information Management. Additionally, Geoscience Australia was able to negotiate for involvement in a Japan Aerospace Exploration Agency satellite mission in exchange for access to GNSS data, in effect gaining some influence over the mission's policies, implementation and data quality, and gaining access to the data from this multibillion-dollar constellation of satellites. The Pacific monitoring stations also serve to improve the accuracy of satellite positioning in Australia as they support improved orbit determination of GNSS which benefits from a complete global coverage of stations. The information derived from the COSPPac stations then supports the aviation, construction, maritime, mining, rail, road, spatial, utilities and consumer sectors in Australia.

At times the linkages between Australia's development, trade and diplomacy interests have been complementary. However, in some countries there is some perceived inconsistency between climate change as an international development priority and Australia's domestic policies on trade and energy, as raised during the evaluation by representatives of partner governments, other donors and DFAT overseas posts. Informants noted that this sometimes made it difficult for Australia to present itself as a credible development partner in climate change action.

Finding

There are a few evident cases of intersections, both complementary and conflicting, between Australia's climate change investments and other national policy interests. This is perhaps not surprising, as investments in the review period commenced prior to DFAT's integration of the foreign policy, trade and aid functions. There are significant opportunities in the integrated department to explicitly consider how trade and foreign policy can be furthered through climate-related investments, and vice-versa.

3.6 Enduring benefits

The evaluation found mixed evidence of sustainability of climate change investments. Where the evaluation found evidence of enduring benefits, the key factor appears to be where the program had sufficient engagement (that is, at least five years), and where it built on longer-term and enduring relationships. Additionally, the investments that demonstrated sustainable outcomes (or those highly likely to be sustainable) involved working with different areas of government, not solely with climate change ministries

or scientific or research divisions. They generally engaged with a range of sectoral agencies and ensured that there was a clear link to policymaking sections of governments.

As the discussion on effectiveness highlights, climate change benefits can take a long time to emerge, often three to five years after an investment has been completed. No post-program evaluations of climate change investments were identified, which made it difficult to accurately determine sustainability and valuable lessons about how to best design sustainable climate investments. As climate change is an emerging policy area, the potential pay back in terms of stronger results from evaluation work in this area (formative, summative and ex-post impact assessment, and at individual investment, country portfolio and organisationwide strategy level) is likely to be higher than in more mature fields and sectors.

Alignment between DFAT investments and national action plans varied across locations. In Vietnam, there was significant and intentional alignment of the climate change portfolio of work (Vietnam Climate Change NGO partnership, Support Program to Respond to Climate Change (SPRCC), Vietnam CBDRM) with the Government of Vietnam's climate change strategy. There was also an intentional linkage between DRR and climate change. This was a priority policy objective for the Government of Vietnam and Australia's bilateral climate change investments aligned well with national climate change and DRR policies (Box 6).

Box 6: Support Program to Respond to Climate Change—strategic engagement in the national dialogue and agenda setting on climate change action

In Vietnam, Australia partnered with the World Bank and several other donors to implement the SPRCC. The program aimed to assist the Government of Vietnam to take a more integrated and strategic approach to climate change adaptation and mitigation policy implementation, mobilise climate change finance to help Vietnam build resilience and reduce emissions, and establish a consistent framework for prioritising the use of climate change funds provided by key donors. The investment formed a key element of the *Australia–Vietnam Climate Change Delivery Strategy 2011–2016* and provided an overarching policy dimension to Australia's other climate change investments. In total, the SPRCC mobilised more than USD1 billion in climate change finance for climate change adaptation and emissions mitigation investments.

The SPRCC is a good example of an Australian climate change investment that moved beyond the specific project level to adopt a more strategic entry point at the national policy level. The investment enabled Australia to gain a seat at the policy table and be part of the broader national climate change policy dialogue alongside other key donors providing climate change finance to Vietnam. The program delivered a range of significant public diplomacy outcomes and increased public exposure for Australia at the national level. Working in partnership with other donors created a more coherent and consistent approach to donor community climate change support and investment in Vietnam, enabling Australia to exert some influence on Vietnam's future climate change policies and strategies.

Experience from the Pacific suggests alignment to national planning was more mixed. There was a significant number of climate-related investments made in the Pacific region over the past 10 years, with multiple entry points. These were implemented by a range of agencies. While many of these investments delivered useful outputs and some significant outcomes (for example, climate change science), on the whole the investments were somewhat fragmented and not integrated into a cohesive overall aid delivery strategy or plan. Some investments were clearly linked to government national action plans and priorities, while others were only loosely aligned with national and/or regional priorities. It is recognised (based on the 2016–17 Pacific climate change stocktakes undertaken by DFAT) that effective investment program alignment with national priorities makes investment challenging. Most Pacific Island countries have adaptation plans and policies in place, but few have clearly articulated lists of prioritised investment and technical assistance needs. This, when combined with the significant climate change investment of other donors, tends to give rise to a general situation characterised by short-term projects rather than strategic programming.

Australia also plays an important role in terms of donor coordination and leadership in the Pacific. There has been a significant injection of climate change funding from a range of donors in the Pacific in recent years and this is set to increase. However, the overall level of donor coordination and alignment remains relatively weak. While active donor coordination mechanisms exist (such as the Development Partners on Climate Change mechanism and the Heptagon Donor Forum), further strengthening of donor cooperation and alignment is needed. Australia is well placed to provide stronger leadership in terms of donor coordination with the aim of maximising the impact of external donor assistance. The magnitude of Australia's investment in the region and its long-term role as a member of key regional organisations suggests that Australia could drive a more strategic approach to climate change in the Pacific. There is an emerging opportunity through the Framework for Resilient Development in the Pacific (FRDP)²¹ process to enhance alignment. While Pacific Island countries support this approach, implementation of the FRDP is only just commencing. Australia is strategically placed to make a major contribution to supporting the achievement of the FRDP's goals and objectives, consistent with national priorities, and help drive the climate change, DRR and resilience agenda.

Australia's contribution of climate data and climate data projections to Pacific Island countries has provided a significant foundation for countries to use in their future climate change adaptation work. This is an important indirect example of an enduring benefit from a number of investments.

Finding

The strongest evidence of sustainable and strategic climate change outcomes was found in Vietnam.²² Key attributes were the alignment to Vietnam's climate policy, strong engagement in the climate change policy dialogue process with the Vietnamese Government (along with other donors), and good integration of climate and DRR approaches under a single implementation strategy. Beyond Vietnam, no post-investment evaluations providing strong insights into impacts and sustainability were found. Where evaluations did indicate evidence of enduring benefits, the common factors appeared to be: sufficient time for delivery (that is, over five years of engagement); the building of longer-term, enduring relationships; and working across the right parts of government. Alignment with national action plans and integrating DRR and climate change approaches are likely to enhance ongoing policy engagement and support more sustainable approaches.

3.7 Value-for-money

Looking across the investments, determining value-for-money has been, and remains, a weak area of attention for DFAT. The evaluation found no evidence of an explicit value-for-money case being made within the design stage of the investments; that is, an articulation of the value in potential development outcome terms and consideration of the projected costs to achieve this. Within investment design there are examples of a much more limited conception of value-for-money in terms of the administrative load on DFAT for delivery.

The absence of a well-developed value-for-money argument being made upfront is a feature of both the Fast-start investments—where there was a recognised supply-driven rationale for investment—and the more recently designed investments. This suggests that value-for-money assessment is a systemic challenge for DFAT to address. The problem is compounded by the fact that there are only limited requirements to assess and report on value-for-money during the project cycle and no guidance on defining value-for-money for climate change adaptation and mitigation actions. Any such interpretation would need an element of careful nuancing in terms of investments with climate change benefits. For example, the decision on a delivery choice of working through whole-of-government partners is also influenced by the particular technical expertise and wider relationship benefits they are expected to bring. That said, the absence of a value-for-money approach prevented explicit consideration of other ways of achieving outcomes with a

²¹ The FRDP is a Pacific Island Forum Leaders-endorsed framework calling for an integrated approach to climate change and disaster resilience in the region. ²² Neefjes, K 2016, *Review of the Australia–Vietnam Climate Change Delivery Strategy 2011–2016*, DFAT, Canberra.

strong science base (for example, COSPPac and PACSSAP) through different possible configurations of Australian and nationally based human resources and supporting infrastructure.

The absence of solid monitoring data, particularly at the outcome level, is a fundamental challenge to developing a consistent approach to assessing value-for-money (cost to achieve outcomes) at key points in an investment cycle. This has fostered an environment in which value-for-money is equated with administrative efficiency. Only in 2017 did the aid quality check process shift its reporting requirement for investments from efficiency to value-for-money. The portfolio-level engagement of DFAT on climate change and environmental sustainability within the bilateral aid program in Vietnam had many positive characteristics. This included a good sense of what the program could deliver in terms of individual investment elements. It did not have a prior case for the value as a whole-of-the portfolio versus money to be spent.

The challenge of assessing value-for-money for climate change investments is compounded by the fact that most adaptation results do not occur until well after project end. Moreover, there is no established practice within the Australian aid program of post-project evaluations to determine the longer-term sustained effects and impacts. This learning is a critical element in developing an informed approach to value-for-money assessments.

Finding

There is no established approach or practice within DFAT of assessing value-for-money of investments and/or portfolios of activity with climate change benefits. There is no strong body of monitoring information and post-project evaluation experience to draw on to inform the shaping of an approach and development of subsequent guidance.

3.8 Establishing effective portfolio approaches

The evaluation team assessed the country and regional cases—Solomon Islands, Vietnam and the Pacific region, in relation to how well the portfolio of work has been positioned to strategically engage with efforts in partner countries to deliver on their NDCs.

For a country or region to confidently move forward on its NDC commitments there needs to be a supportive, enabling environment. Each country and regional context is unique and as a *system* presents different entry points and opportunities for external support to effectively contribute to climate change action.

Five different dimensions²³ which shape a country context for climate change action, and signal entry points for external support are:

²³ Developed by the evaluation team based on the learning generated from the team leader's experience in conducting an end-of-program review of the global Climate and Development Knowledge Network. This was a network funded by the United Kingdom and Dutch governments running from 2010 to 2017 (total GBP118 million). The investment supported the design and delivery of climate-compatible development focused on the country level.

- institutional architecture to marshal and channel international climate finance as part of a country-led drive for addressing climate change within development planning
- capacity within and across government at different levels for climate change action
- coordinated donor environment for external support to climate change action
- clear, comprehensive and balanced national agenda for tackling climate change, endorsed by stakeholders and delivering on the NDCs
- functional policy and strategy framework guiding domestically and internationally supported action on climate change.

Table 4 illustrates the nature of the opportunities for strategic engagement, taking a systems perspective, at a portfolio level. It uses the evidence from the three country and regional cases. Examples of possible future engagement in the Pacific region, Solomon Islands and Vietnam are provided.

Table 4: Australia's country and regional level engagement through a systems lens

	Assessment of country and regional operating environment			Australia's strategic approach			
	Institutional architecture	Capacity within and across government	Coordinated donor environment	National agenda for tackling climate change	Functional policy and strategy framework	Australia's country and regional approach to climate change engagement	Examples of strategic opportunities, given the country context
Solomon Islands	Emergent. Siloed departments working on climate change despite the fact that climate change, disaster risk management and environment are in one ministry. No culture of mainstreaming or working collaboratively across government on climate change.	Very limited capacity and not making best use of what is there. Major gaps at provincial level.	Some limited and unsuccessful attempts. Donors actively looking for places to put money.	An agenda that focuses on DRR but does to attend to the sensitive area of logging practices.	Documentation exists but has limited traction. Work underway on a new climate change policy. Recognition of the FRDP.	No strategic portfolio approach. Stronger in DRR than in climate change. Not visible in climate change dialogue. Australia is largest donor in-country.	Support national and sub-national architecture to deliver climate change and DRR priorities. Encouraging discussion on the wider climate change challenges of logging, inter- island migration and security.
Vietnam	Strong centre with maturing of MONRE and MARD. Other ministries still marginal in terms of concerted action on climate change. Competitive funding environment at provincial level	Some significant progress in recent years at the centre. More mixed, but improving, picture at sub-national level. Technical assistance links with externals that brings capacity development	Fast-changing donor landscape with continued shift away from grant funding to loan finance. Mature aid coordination structures have struggled to adjust. National government remains	Green growth agenda is central. Greater practical application needed. Key challenges to this include economic policies which are not conducive to investments in	Rapidly maturing policy and strategy framework (to which DFAT and other donors have made an important contribution).	Integrated Climate Change Investment Strategy 2010–2017 aligned to government priorities.	Engage with the Vietnamese authorities on major challenge it faces. Support capacity to be developed and used within the Vietnamese system

	Assessment of country and regional operating environment			Australia's strategic approach			
	Institutional architecture	Capacity within and across government	Coordinated donor environment	National agenda for tackling climate change	Functional policy and strategy framework	Australia's country and regional approach to climate change engagement	Examples of strategic opportunities, given the country context
	constrains effective collaboration on shared challenges.	through joint action favoured.	concerned over donors (non-traditional channels) pushing their own agenda.	measures that support adaptation and mitigation.		Good practice approach building strong relationships. Supported by technical resources, funding and as an aid priority until late 2013.	(within and outside of government).
Pacific region	A limited number of key regional agencies with discrete roles in relation to climate change action (roles which need to be upheld and not conflated). Some important work underway on national financial system strengthening.	Good—not fully utilised technical capacity within regional organisations (risk that capacity gets diverted to chasing finance). Need to understand the limits of capacity in the region and where and when supplementation rather than capacity building is optimum.	The FRDP has potential as an effective coordinating mechanism for donor engagement and financing. Still messy but improving picture on donor co-funding.	A confusing picture. The region is chasing renewable energy support (benefits are more economic than global good) while adaptation agenda remains under- developed.	FRDP has strong potential to unify a regional approach, integrate disaster risk management and climate change.	Climate change a key objective of regional strategies. Portfolio heavily weighted towards climate science investments to inform adaptation planning. Engagement in Green Climate Fund can support Pacific engagement and access to funds.	Act as broker between actors in climate change with a focus on improving donor coordination and enhancing aid effectiveness (development impact). Leading role in accelerating the maturing of national responses guided by the regionally

Assessment of country and regional operating environment		Australia's strategic approach				
Institutional architecture	Capacity within and across government	Coordinated donor environment	National agenda for tackling climate change	Functional policy and strategy framework	Australia's country and regional approach to climate change engagement	Examples of strategic opportunities, given the country context
						agreed FRDP frameworks.

A diagnostic, similar to Table 4, that analyses the system that shapes and controls a nationally led climate change response may be useful as part of the analysis that underpins AIPs. The Interim Support Unit for the Pacific has been using a similar diagnostic in recent work for the regional program. By strategically positioning Australia's support in this way, its impact is likely to be bigger than the sum of its parts.

One of the investments sampled by the evaluation—the SDIP under the South Asia Regional Program (Box 7)—provides an investment-level example of an innovative approach being taken, focused on contributing to systemic change.

Box 7: Sustainable Development Investment Portfolio—contributing to systemic change through positioning and the confluence of partner influence

The SDIP was designed as a 12-year strategy with three four-year investment cycles. The complexity of improving water, food and energy security across three major South Asian river basins—all affected by climate change—through the strengthening of transboundary cooperation, was recognised at the start. Addressing climate change is explicitly mentioned as a strategy objective and the effectiveness of Australian aid in delivering climate action and building climate resilience is tracked and assessed.

The program has a narrative that clearly seeks to contribute to sustainable, long-term systemic change. This is through DFAT partnering with established actors in the region—CSIRO, International Finance Corporation, ACIAR, ICIMOD, International Centre of Excellence in Water Resources Management, South Asia Water Initiative, The Asia Foundation. It is also through ways that evolve and opportunistically focus on areas where the portfolio of investments finds traction towards program objectives.

Key to this is an approach to monitoring that looks at outcome-level change from a portfolio perspective. This approach uses the monitoring information to inform reflection by partners—collectively and individually—on where and how they can adapt their respective engagement in ways that can enhance factors for a positive change within the system. This leads to a wider reach of benefits. In addition to climate change, gender equality and women's empowerment are fundamental concerns that are hardwired into the delivery and monitoring frameworks of SDIP.

In Vietnam, the design, strategic positioning and early implementation of the portfolio approach was of a high quality and contributed to important progress in Vietnam's efforts to plan for and address climate change. The opportunity for the portfolio to have a stronger, more wide-ranging and deeper effect within government systems was compromised by the downscaling of resources, and the decrease in profile and attention given to the Australian strategy following the decision in late 2013 to move away from supporting action on climate change.

Finding

One of the three programs reviewed, Vietnam, had a strategy underpinned by a system-based analysis to identify how Australia could best contribute to climate change action in the national context. When delivered with adequate technical, financial and leadership support, this approach showed strong signs of tangible climate change benefits, directly aligned to partner country priorities. It also enabled Australia to be seen as a partner with expertise and skills of value to the Vietnamese Government.

3.9 Conclusions and recommendations for improving investment quality and impact

The five key evaluation questions, covering aspects of effectiveness, sustainability and value-for-money, provide a basis for drawing a number of conclusions on and recommendations for DFAT's experience in achieving results through investments with climate change objectives. These are:

- There are contextually important examples of where Australia's investments with a targeted climate change objective has reduced vulnerability to climate change. A good proportion of the individual targeted investments proved to be good at delivering outputs but overall they were weak in translating to results (or promising results) at the outcome level, which was the focus of the evaluation. There were, however, some notable examples of investments delivering in ways that had resulted in, or promised, significant outcomes over time. The design of effective investments utilised internal design and technical support capabilities in place up until 2013.
- The only known case of portfolio-wide engagement on climate change action is the bilateral aid program for Vietnam. The design, strategic positioning and early implementation of this approach was high quality and contributed to some important areas of progress in Vietnam's efforts to plan for and address climate change. It developed a portfolio of investments and engagement points within the frame of a strategic view. The opportunity for the portfolio to have a stronger, more wide-ranging and deeper effect within government systems was compromised by the downscaling of resources and decrease in profile and attention given to the Australian strategy following the decision in late 2013 to move away from supporting action on climate change.
- There are a number of success factors characterising those investments assessed to be more likely to produce significant climate benefits. These relate to the longevity of the engagement and the strength of the partnering and relationships engendered between organisations; taking a development-first approach to climate and disaster risk management (mainstreaming climate considerations into existing development priorities and associated planning and decision making); and, through strong institutional buy-in, being explicitly linked to partner country priorities with explicit climate or disaster-related outcomes.
- Experience points to some important detracting factors. These include the partial view, and often inconsequential position, that comes from climate change objectives being added to an already very objective-congested project; projects with unclear objectives and/or lack of clarity on parameters of success in terms of climate change; and weak shepherding of a pilot in a politically sensitive and complex governance setting.
- Technical assistance that is blended, experienced and strategically positioned in supporting climate change planning and implementation makes a difference. Technical assistance which uses skills and knowledge in both development and science to drive development outcomes is important. Australian technical, research and policy bodies have highly regarded skills and strong regional relationships to offer, which are essential for climate change action in the aid program. These, however, must be balanced with skills and knowledge in development programming.

- There is scope for a stronger whole-of-government approach to climate change in international development. Australian technical, research and policy bodies have highly regarded skills, institutional capacity and strong regional relationships to offer, which are essential for climate change action in the aid program. There is opportunity to strengthen a whole-of-government approach to climate change, underpinned by clear strategic goals and framed by a DFAT-led monitoring framework, ensuring technical and development agencies work in partnership towards a common policy framework to deliver effective climate change programs.
- Gender and broader social inclusion dimensions to climate change action could be more effectively followed through. Gender outcomes were evident in around one--third of investments that had climate-related objectives. While gender may have been in the design, in many cases it was neither implemented nor monitored appropriately to describe or demonstrate outcomes. Gender outcomes were stronger in investments where DFAT was actively involved. There is little evidence of disability-inclusive development outcomes in investments where climate is a primary objective.
- Past investments show a tentative relationship between climate change and Australian security, trade, economic and diplomatic interests. There is evidence of intersections, both complementary and conflicting, between Australia's climate change investments and other national policy interests, and of missed opportunities. There are significant opportunities in the integrated department to explicitly consider how trade and foreign policy can be furthered through climate change investments, and vice-versa.
- The direct benefits of Australia's climate change action are likely to continue beyond the life of the
 investments to only a limited extent. The anchoring of the investments within a broader appreciation of
 the long-term challenges to improvements in government systems is limited to a number of specific cases.
 DFAT has no well-developed approach to establish or determine value-for-money for climate change
 investments.

Recommendations for improving investment quality and impact

- 1. Position Australia's efforts strategically in aid investment plans. AIPs should use a systems approach to identify opportunities to engage on climate change. The AIP process could usefully analyse and consider:
 - the effect of climate change on development priorities
 - where Australia can best engage with the partner country on climate change issues
 - how to best integrate climate change and DRR efforts into National Adaptation Plans or NDC delivery, thereby reducing the burden on partner countries and supporting a partner-led approach.
- 2. The Sustainability and Climate Change Branch should provide further guidance for mainstreaming climate change investments, focusing on sectors that will benefit most from early efforts:
 - Mainstreamed climate change investments need explicit climate change outcomes, clearly defined at the design stage and tracked through meaningful indicators and sound monitoring.
 - Where climate change is a secondary objective, the climate-relevant outcomes should be explicit in the design, accompanied by suggested implementation strategies and approaches to measurement.
- 3. Guidance for targeted climate change investments should:

- **support a 'development-first' approach** by mainstreaming climate considerations into existing development priorities and associated planning and decision-making
- **consider a minimum timeframe of five years**—this is critical to the building of trusted relationships, and for climate-related outcomes to emerge
- explicitly consider gender and disability at design.

4.0 CLIMATE CHANGE INTEGRATION

An international literature review was undertaken as part of the evaluation to determine the key domains that facilitate effective climate change integration within international development assistance. The aim of the review was to identify a range of good practices from which DFAT could benefit to inform its approach. The literature review also provided valuable insights into the processes and approaches adopted by other OECD DAC members that are Australia's bilateral peers. Given the scope of the evaluation, and time and resources available, it was not possible to undertake a comprehensive assessment of all OECD donors. While the evaluation drew on the findings of several OECD-wide assessments, a representative subset of 11 OECD donors (including small, medium and large high-income countries) was selected for more detailed assessment.

Considerable diversity exists across the donor community on how they have integrated climate change into aid programs, the relative importance they attach to mitigation and adaptation, and the level of climate change financing provided. There is no single model or a universally agreed set of benchmarks that define best practice. As such, direct comparisons between donors are not always valid, although they can provide useful indications of where DFAT may be able to strengthen existing policies, processes and systems to progress climate change integration. DFAT is at a relatively early stage in the process of this integration and has commenced a program of work aimed at strengthening its internal capability.

This section provides an overview of the findings of the evaluation in relation to five key integration performance areas:

- ODA strategic clarity
- internal climate change screening processes, technical support and staff capacity
- monitoring, evaluation and reporting
- climate change finance
- policy commitment and leadership.

It also identifies a range of actions that DFAT may wish to consider taking to position itself within the 'good practice domain'. Detail on the practices and systems adopted by other selected OECD countries, including links to documents that can provide illustrative examples of good practice across the five domains, is contained in the international literature review prepared as part of the evaluation. DFAT may wish to draw on the review²⁴ to support its climate change integration work.

²⁴ The International Literature Review from this evaluation is to be issued by ODE as a stand-alone paper.

4.1 Climate change and ODA strategic clarity

	Clear goals, objectives and outcomes for climate change exist within the agency
Climate change and ODA strategic clarity	Agency goals include clear mainstreaming objectives
	Goals, objectives and outcomes are supported by a clear, feasible implementation plan
	Climate change and DRR policy agendas are closely aligned or integrated
	There is a long-term commitment (including funding) to integrate climate change

Table 5: Excerpt from Table 2—Domains of good practice climate change integration

The international literature review findings suggest that an important prerequisite to effective integration is a clearly articulated set of climate change goals and objectives of the aid program, with a guiding theory of change and an implementation plan. This policy statement or strategy provides a clear indication to program managers, and the broader community, of what Australia hopes to achieve through its aid investments in terms of building climate resilience, reducing climate-related disaster risk, and promoting less carbonintensive development.

In December 2016, DFAT issued an internal administrative circular highlighting the importance of integrating climate change considerations into Australian aid investments and announcing the intention to develop a climate change and development strategy, integration and implementation toolkit to guide future investments. DFAT is in the process of developing this strategy and it is expected to be endorsed in 2018. This signifies intent on DFAT's part to raise the profile of climate change across the portfolio and provide greater clarity on how climate change can be better integrated into the aid program. Many of DFAT's peers (for example, France, United Kingdom, United States) have clear policy statements and strategies on climate change that may provide a useful reference point for DFAT's ongoing strategy development work. Interviews suggest that greater clarity and visibility of climate change in the overarching aid strategy would assist staff to be fully aware of, and conversant with, climate change in relation to development objectives, and from them taking initiatives in this regard.

Australia has made several policy statements over the past decade on climate change financing commitments and, at times, has highlighted specific objectives and target areas for Australia's climate change investments. However, in comparison to many other donors, climate change does not feature strongly in Australia's aid policy. In November 2017, the Australian Government released a new Foreign Policy White Paper, which notes climate change is a priority for development assistance and reiterates the \$1 billion commitment over five years to support emissions reduction and resilience-building. Australia's previous aid policy, *Australian aid: promoting prosperity, reducing policy, enhancing stability*, released in 2014 mentions climate change impacts in relation to building resilience to weather-related disasters. While DFAT's Humanitarian Strategy²⁵ highlights the importance of integrating climate change and disaster risk into aid investments, no substantive overarching climate change strategy or policy clearly articulates Australia's climate change goals, objectives or specific targets against which performance can be assessed.

²⁵ http://dfat.gov.au/about-us/publications/Pages/humanitarian-strategy.aspx

A close alignment of climate change, DRR and emergency response is often used as an indicator of aid strategic clarity. DRR is clearly an important pillar of Australia's current aid policies and priorities, which can also contribute to improved climate change resilience. While it is mentioned to some extent in existing aid policy documents, the importance of integrating climate change and disaster risk management approaches does not appear to be given much prominence. At present, the DRR and climate elements of the policy mainly target existing extreme weather and climate variability and are only loosely connected to future climate change is given some recognition in the Humanitarian Strategy).

From a review of the documents and discussions with program staff it is evident that DFAT intends to adopt an integrated approach to climate change and disaster risk management. At the investment level, there is evidence of DFAT efforts to integrate climate change and DRR in past and present investments, and many DRR and climate change projects appear to have been viewed and designed through an integrated DRR and climate change lens, in line with good practice. Joint programming between climate change and the DRR and humanitarian areas of DFAT would strengthen this practice (noting that the recent statement on Australia's \$ 300 million climate change commitment to the Pacific suggests an integrated DRR and climate change approach).

Coherence between DRR and climate change at the organisational level could be strengthened. For example, climate change and DRR are well integrated in DFAT's Humanitarian Strategy and in internal guidance on infrastructure programming, but DRR is not reflected in the guiding principles for climate change integration.

Finding

The climate change strategy, under development, provides a good opportunity to add greater clarity and direction across the portfolio. Climate change does not feature strongly in Australia's aid policy. There is no publicly available document that clearly articulates Australia's climate change goals and objectives in relation to the aid program beyond the spending commitment, nor any guiding climate change strategy or implementation plan. The existence of a clear and comprehensive policy statement and strategy would greatly assist country and regional AIPs going forward, as well as driving integration across the portfolio.

4.2 Internal design and approval processes and staff capacity

Table 6: Excerpt from Table 2-Domains of	f good practice climate change integration
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	Mandatory climate change screening occurs for all projects (design and approval)
Internal design	Climate change impact assessments are undertaken for major projects with an identified climate change focus or link
processes and staff	Guidance documents and support tools exist to help program staff to integrate climate change at the design stage
capacity	Staff have access to climate change specialists, support units and helpdesks and focal points
	Climate change integration training is available to staff

For effective climate change integration, adequate procedures should be in place to ensure that any climaterelated impacts associated with aid investments (positive or negative) are identified and appropriate **measures** implemented to address adverse impacts. It is also important to ensure that individual investments are consistent with the climate change goals and objectives of the aid program. The procedures employed by OECD countries to ensure that investments are climate friendly (do not contribute to increased greenhouse gas emissions) and climate risk aware (do not increase vulnerability to climate change impacts) vary, but most follow internationally accepted screening and monitoring methodologies.

Good practice features that emerged from the international literature review included:

- existence of mandatory climate change screening procedures for all projects (at design and approval stages), with more detailed climate change impact assessment for all major projects that have an identified climate change link or risk (often above a specified financial threshold)
- adequate guidance documents and support tools to assist program staff to screen and assess potential climate-related impacts of investments (at design and implementation stages)
- specialist in-house climate change expertise (usually in the form of advisory support units or technical helpdesks at Headquarters and regional program hubs) that can provide technical support to program staff and build climate change competencies through training and awareness raising.

The evaluation found that DFAT has some climate change screening processes in place, but that these are generally less rigorous and limited in scope (mainly at the design stage) than appears to be common practice elsewhere. As a result, the Australian aid program faces a greater risk that climate change impacts associated with investments go undetected. The safeguards screening tool under development may help ensure more effective screening at the design stage, though little emphasis is given to climate change impact assessment during other stages of the project cycle. Evidence from the investments reviewed in this evaluation indicates that DFAT has made efforts to screen for climate change risks for major infrastructure investments, though screening primarily focused on adaptation and resilience building elements and not on the potential

emissions impact of the investments. The financial threshold²⁶ that triggers more substantive impact assessment is also high relative to other donors.

The availability of technical guidance documents and online support tools to assist DFAT program staff to integrate climate impacts in project design, assessment and monitoring (especially at the sector level) was found to be limited. DFAT's recent efforts to develop new and additional guidance material is likely to assist DFAT's climate change integration efforts. Most OECD countries included in the literature review have technical guidance and support tools covering mitigation, adaptation and broader disaster resilience.

The availability of specialist climate change technical expertise that can support program staff is also recognised as an important prerequisite to effective climate change integration and internal capacity building. Based on the evidence gathered during the evaluation, DFAT's internal capacity to provide climate change technical support across the aid program, and the broader DFAT portfolio, is assessed as limited and under-resourced. The level of resources dedicated to internal climate change technical support capacity has declined since 2014, and the role and capacity of climate change focal points at Post also appears to have diminished in recent years. Several informants expressed a concern that a lack of access to specialist internal climate change technical support at the investment design stage made the task of climate-aware programming more difficult. At present, only limited resources in the Sustainability and Climate Change Branch are available for climate change mainstreaming and technical support to aid program staff.

Increased use of externally sourced climate change technical experts is another means of servicing climate change technical needs, especially at the project design stage. The Pacific Branch has established an Interim Support Unit (staffed by contractors) and is progressing plans to establish a more permanent mechanism for accessing external technical expertise. The South Asia Regional Program's SDIP also contracts specialist long-term climate change technical support as part of its contracted advisory support team.²⁷

Program staff require a basic understanding of climate change for integration to be effective. At present, no in-house climate change training is provided, and climate change is not covered in staff induction training or in posting pre-departure training. The evaluation found that the level of climate change awareness and expertise among program staff was generally low, although several informants indicated a strong interest in building a better understanding and increasing their capacity to identify, monitor and report on climate change outcomes.

Finding

DFAT's existing climate change screening, internal technical support, guidance materials and staff training are less developed and resourced relative to other major OECD donors. These are critical building blocks for effective climate change integration. The international literature review identified links to good practice approaches other OECD donors have adopted for screening, program guidance materials and technical

²⁶ DFAT processes stipulate \$10 million (or high risk) for independent appraisal of a design document, and \$50 million (or high risk) for peer review. There is no guarantee either has climate expertise.

²⁷ There is also a climate change panel of advisers available to DFAT staff on the Aid Advisory Services Standing Offer, a contracting panel, but this mechanism requires that staff have identified a need for climate change expertise. It lends itself to larger, discrete jobs rather than for ad hoc advice as needed, or ongoing support at strategic entry points.

support. DFAT may wish to access and review these approaches in more detail to guide its efforts to build internal systems and capacity.

4.3 Monitoring, evaluation and reporting

Table 7: Excerpt from Table 2—Domains of good practice climate change integration

Monitoring, evaluation and reporting	Robust M&E systems, using appropriate adaptation and/or mitigation indicators.
	Climate change indicators are part of DFAT's core ODA reporting at organisational level and part of a mandatory annual reporting process.
	Departmental measures (indicators) and reports on how climate change has been mainstreamed across the portfolio.
	Tools and guidance on how to set up appropriate M&E systems for climate impacts exist.
	Staff are adequately 'climate aware' and have the skills to apply guidance and tools.
	Reports document climate change impacts providing an insight into value-for-money, providing meaningful lessons learned, and guiding future programming.
	Evaluation reports systematically incorporate/consider climate change.

Monitoring, evaluation and reporting on climate change impact and the results of aid investments is important for future programming, ensuring transparency in the use of taxpayers' funds, and identifying key lessons learned about what works and what does not.

A robust monitoring system for development outcomes in climate change, supported by appropriate and consistently applied indicators across the whole portfolio, as well as open and transparent public reporting, are characteristics of donor agencies that have effectively integrated climate change. The evaluation found that DFAT has limited capacity to systematically monitor and report on the climate change outcomes at a whole-of-aid level. There is no systematic reporting system for development outcomes, no consistent and commonly applied set of indicators that program managers can use to monitor investment performance, and few mechanisms in place to ensure consistency of reporting. This contrasts with Australia's OECD peers, which have well-developed internal tracking and monitoring systems, can report against common internal indicators, and have established tracking and quantification methodologies for identifying the results of adaptation and mitigation investments.

It is evident that climate change information is collected and reported by some parts of the aid program, particularly at the individual investment level, but these results are not able to be aggregated at the program or whole-of-aid level. In 2017 a climate change question, with supporting guidance, was added to the AQC template, requiring staff to describe how climate and disaster risk are being managed in investments over \$3 million. While this is a useful annual prompt, the process does not have sufficient architecture (agency-wide measures and detailed reporting) to generate robust performance information that can be tracked over time or aggregated.

Furthermore, results reporting was found to be heavily output-focused, rather than outcome-focused, which reduces the ability to identify investment impact and sustainability, or to determine whether the investments represent value-for- money. An illustrative example is the Vietnam case study, undertaken as

part of the evaluation. The Vietnam program clearly adopted an integrated portfolio management approach (an example of good practice management) and made considerable effort to integrate climate change across the country program investments but lacked an overall PAF. Even though the program achieved some impressive results, reporting was largely confined to project-specific outputs (in AQCs and APPRs) and not aggregated into overall program-level impact. An opportunity for developing a positive and compelling climate change narrative was missed.

There is evidence of an increased focus on climate change reporting in some program areas, although these have not been driven by any reporting requirement at the corporate level. For example, in 2017 the SDIP issued climate change reporting guidance to the program's seven investment partners which requires reporting on the specific mitigation and adaptation outcomes in their annual reports from 2017 onwards (climate change and gender are two cross-cutting issues that are subject to mandatory reporting under SDIP). The reporting framework will enable the program to develop a strong evidence-based climate change narrative, deliver specific data on the adaptation and mitigation achievements of SDIP, and assist partner organisations to better integrate climate change into investments and operations.

Overall, considering the monitoring systems currently in place, DFAT does not have a sufficiently robust architecture to enable timely and accurate reporting on what it has achieved through its climate change ODA investments, or the overall impact on climate change vulnerability and low carbon development. This constrains DFAT's ability to construct a clear, evidence-based performance narrative, and limits the ability of the organisation (at different levels) to improve programming based on lessons of what was most effective.

Clear and transparent reporting on climate change results from aid investments is good practice and is an important means of communicating to the government and the taxpayer what has been achieved. Many of Australia's OECD peers produce regular whole-of-aid climate change results reports (for example, the literature review identified the United States as an example of good practice climate change reporting—the United Kingdom and France also produce reports identifying progress against a set of high-level indicators). The evaluation team was unable to identify any substantive portfolio-level reporting to government and/or the general public on the climate-related impacts of its aid investments; it is given only limited attention in the DFAT annual reports. The absence of a consistent whole-of-aid mechanism for tracking and reporting results constrains DFAT's ability to craft a strong evidence-based narrative.

Finding

At present Australia's public reporting is largely dominated by the amount of climate change finance it is providing, rather than what outcomes have been achieved from the aid investment portfolio. DFAT's climate change monitoring and public reporting systems need to be strengthened to better report on Australia's contribution to the efforts of developing countries to adapt to climate change and adopt less carbon-intensive development pathways—in line with Australia's commitments under the Paris Agreement.

4.4 Climate financing

	Average share of total ODA funds tagged as climate change finance increasing (as an indicator of improved mainstreaming)
Financing	Bilateral expenditure between adaptation and mitigation (around 50 per cent) is balanced
	Multilateral versus bilateral expenditure (maximum of 25 to 30 per cent multilateral) is balanced

Table 8: Excerpt from Table 2—Domains of good practice climate change integration

The level of commitment to climate change financing, the balance between adaptation and mitigation investments, and the proportion of total ODA funds channelled through bilateral and multilateral modalities are common features of climate change finance. Several common features among other high-income OECD countries emerge from the literature:

- there is, for most major bilateral donors, a general upward trend in climate change finance flows (in line with the commitment of the global community to mobilise USD100 billion per year by 2020)
- on average most donors attribute in the range of 15 to 25 per cent of ODA flows to climate change, and some exceed 30 per cent (on average 17 per cent of OECD bilateral ODA flows are tagged as climate change finance)
- investment portfolios are generally evenly balanced between mitigation and adaptation (recognising that both are equally important)
- on average the climate change finance modality is 75 per cent bilateral investment and 25 per cent multilateral investment.

Considerable diversity exists across the donor community in terms of the level of financing tagged as climate change, the modalities they use for disbursement, and the relative emphasis countries place on mitigation and/or adaptation. The methodologies and mechanisms in place to identify and quantify climate change flows vary (for example, differences exist between the OECD and UNFCCC climate finance quantification and reporting formats), and some countries have a mixture of both grants and loans while others (for example, Australia) are largely grant-based. As a result, it is not always possible to compare like with like. Nonetheless, the data presented above reflects practice across the OECD donor community.

Over the past five years, Australian climate change finance flows have generally been in the order of \$200 to \$250 million a year (with an average of \$213 million a year over 2011–16²⁸). Australia has committed \$1 billion (\$200 million a year) to dedicated climate change finance over the period to 2020. Australia is placed approximately mid-range on the spectrum of forward OECD donor commitments for the period to 2020.

The allocation of Australia's climate change finance between mitigation and adaptation is broadly in line with other OECD countries, although with a somewhat greater focus on adaptation. This reflects the importance of the Pacific Islands region, which places a higher priority on adaptation and where mitigation potential is

²⁸ Data sourced from Sustainability and Climate Change Branch.
limited. Australia delivers more of its climate change finance through multilateral rather than bilateral modalities compared to most other OECD countries (in recent years this has tended to be in the range of 50 to 60 per cent of climate change finance flows compared to the OECD average of 25 per cent). The current balance between bilateral and multilateral channels for expending climate finance within the Australian aid program is considered problematic as the evaluation has found that—within the range of investments assessed—working with and/or through the multilateral development banks has resulted in less progress on climate change outcomes than using bilateral channels.²⁹

Across the aid program in general, working with and through multilateral organisations is often characterised by long delays in start-up and significant investment by DFAT staff to both establish and then maintain an effective working partnership. The limited flow of outcome-level monitoring data from the investment level is a constraint to this. Where a partnership working with multilateral organisations on climate change can be most effective is in national-level forums and structures (as seen in the Vietnam case). Australia, with an engaged and well-informed presence at the table, can collaborate effectively with multilateral organisations on a common agenda to be a powerful, positive force on system-wide developments.

Finding

Australia is placed approximately mid-range on the spectrum of forward OECD donor commitments for the period to 2020. The allocation of Australia's climate change finance between mitigation and adaptation is broadly in line with other OECD countries, although with a somewhat greater focus on adaptation, reflecting the priorities of its developing partner countries. Australia tends to channel a much greater share of its climate change finance through multilateral mechanisms relative to comparable OECD countries.

4.5 Policy commitment and leadership

Table 9: Excerpt from Table 2—Domains of good practice climate change integration

	Consistent and vocal senior management support exists for climate change integration
Policy commitment and leadership	Senior officials engage in policy dialogue on climate change with other development agencies and recipient countries at key entry points (for example, aid planning processes, general or sector budget support, public sector reform or other reviews)
	Performance, recognition and promotion system that rewards staff and leadership for effectively leading and delivering on the integration of climate change is in place

Strong leadership from government ministers and the senior executives of development assistance agencies is essential for effective climate change integration. It creates the enabling environment for aid program managers to operate and provides clarity on the level of priority given to climate change. Agencies considered to have good practice in climate change integration and mainstreaming are those that have strong political leadership and support.³⁰ Australia has been cited by the OECD as a good example of

²⁹ Note that Australia's contributions to the Green Climate Fund were not included in the scope of this evaluation.

³⁰ OECD 2014, Mainstreaming cross-cutting issues: advancing gender equality and environmental sustainability, OECD, Paris.

progress achieved in integrating gender in the aid program driven by strong leadership and support. Similar good practice examples exist for climate change among Australia's OECD peers (Denmark, France, Germany and the United Kingdom).

Over the past decade, the level of political commitment and support for climate change as an aid investment priority has varied, as has the level of dedicated climate change finance. A range of respondents interviewed during the evaluation indicated that the emphasis given to climate change at Post, and the internal resources devoted to climate change focal points and mainstreaming activity, varied according to perceptions of Canberra's aid policy priorities. There is evidence at country and regional program levels that the reduced emphasis placed on climate change in recent years (including its limited treatment in the aid investment policy) has resulted in a significant reduction in program staff interest in climate change integration and attention to forward program investment planning and design, and that the overall level of awareness and skills of staff at Post has declined accordingly.

Australia has recently made some significant international commitments to climate change finance and other assistance. Furthermore, the 2016 administrative circular on climate change communicated a message to agency program managers and staff that greater attention needs to be given to climate change across the aid program.

DFAT is making efforts to build stronger support for climate change integration (for example, the Climate Change and Development Working Group), and there is a range of work underway, but it is evident that this will take time given limited staff resources. Providing strong senior management leadership across the department to climate change will help drive the integration process and provide incentives to program managers. Considerable political attention is given to UNFCCC processes on the global stage, but there is less evidence of attention at the aid program level in terms of supporting adaptation and mitigation efforts as a core part of Australia's engagement with partner countries.

Finding

The evaluation found that the level of policy leadership and support for climate change integration to Australia's aid program has increased since 2015, after several years of climate change being a low priority for the aid program. There is still a lack of clarity on Australia's overall aims and objectives in relation to climate change integration. The strengthening of messaging and leadership from the highest levels of the organisation will be an important driver for effective integration.

4.6 Conclusions and recommendations for strengthening organisational capacity on climate change integration

Conclusions on current standing of climate change integration capabilities in DFAT

The DFAT aid program is working to realise the spirit of the Paris Commitment; but it has a way to go. Strategic clarity within DFAT on climate change action is tenuous, pending the launch of a specific, overarching climate change policy or strategy addressing climate change within the aid investment policy. While climate change is to some degree in the aid investment strategy (primarily through a disaster risk lens), DFAT presently lacks an overarching policy document that clearly articulates the specific climate change goals and objectives of the aid program, nor any internal guiding strategy on climate change. While it is noted that DFAT is in the process of addressing this issue, this policy gap needs to be filled as soon as possible as it is an important element of climate change and ODA strategic clarity.

The internal design and approval processes and staff capacity within DFAT for supporting climate change action require strengthening. There is a limited approach to climate change design and implementation. Climate change is not currently part of the corporate pre-posting training or induction, and there is no evidence of any internal training and staff capacity building programs. The level of resources provided for internal mainstreaming and technical support is limited considering the magnitude of the climate change integration task ahead. These conditions constrain the effective integration of climate change action across the aid program.

DFAT is not routinely collecting information to track the effectiveness of climate change investments in ways that service broader corporate reporting and learning needs. Internal systems need considerable strengthening if Australia is to accurately and effectively report on what it has achieved through its assistance to developing countries to adapt to climate change and adopt less carbon-intensive development pathways—in line with Australia's commitments under the Paris Agreement. Unlike many other OECD donors, DFAT does not produce dedicated climate change ODA reporting, and the coverage of climate change in the annual report appears limited. Furthermore, climate change does not appear to be an integral component of the aid program's PAF, and there are no corporate-wide climate change results indicators that would enable DFAT to track and report on climate change outcomes achieved or track progress on climate change integration over time. At present there is a heavily reliance on case studies and reporting the success of specific programs and investments, rather than a clear picture of the aggregate impact of Australia's ODA.

Recommendations for improving organisational capacity for climate change integration

The evaluation team has identified a number of potential actions DFAT may wish to consider in terms of how it organises and resources itself to facilitate the climate change integration process within the current set of parameters it is working to.

- 1. Sustainability and Climate Change Branch should engage with other divisions within DFAT to further develop a set of program management practices that are fit-for-purpose for the demands of the forthcoming climate change and development strategy, integration and implementation plan. This process should address:
 - developing and implementing mandatory climate change screening procedures (across the whole program cycle) to ensure climate change considerations are embodied in aid investments with an early focus on priority sectors. This should include establishing processes within AidWorks to tag and track climate change finance flows in a more robust and systematic way.
 - establishing a stronger technical support capability, supplemented by greater use of external technical assistance at program and investment levels. Ensuring effective programming with a balanced mix of internal and external expertise to provide support and advice during design, implementation and M&E.
 - increasing the level of climate change training and awareness across DFAT and introducing climate change as a key component of induction and pre-posting training. Focusing initially on

actions that will support the emergence of strong and visible leadership at different levels, and on changing parts of the DFAT system key to driving integration. Paying particular attention to supporting Posts, where much of the control over the agenda and resources for supporting climate change action now lies.

- 2. DFAT should strengthen and expand its whole-of-aid performance monitoring and reporting systems to enable more effective and accurate tracking of climate change outcomes. Immediate steps to be taken are:
 - climate change to form an integral part of DFAT's aid performance monitoring framework. It is recommended that DFAT not establish a separate climate change monitoring and reporting system, but rather integrate climate change as a core element of its existing monitoring systems.
 - establish a clear set of high-level results indicators that program managers can report on and against to assess DFAT's progress with climate change integration. DFAT should consider adopting similar high-level mitigation and adaptation indicators to those used by other OECD donors.

5.0 DESTINATION SETTING

The final section of the report reflects the formative nature of the evaluation. It situates the Australian experience on climate change investments and the early stage reached on climate change integration within a bigger picture of evolving international efforts to support developing countries on climate action. From this analysis, three strategic recommendations for DFAT emerge.

5.1 Evolving international context

Australia is committed to tackling climate change through its development assistance efforts. At the UNFCCC in 2015, Prime Minister Turnbull announced at least \$1 billion to build climate change resilience and reduce emissions in developing countries over the next five years. This includes an existing \$200 million commitment over four years to the Green Climate Fund and Australia's \$300 million pledge over four years to increase investment on climate change resilience in the Pacific. Under UNFCCC, Australia also has commitments to build capacity and transfer technology to less advanced countries, to which other Australian government agencies could make a substantial contribution.

Combating climate change lies at the core of the SDGs, both as a single goal (SDG 13: Take urgent action to combat climate change and its impacts) and as a critical factor in achieving seven of the other SDGs. Australia launched its first Voluntary National Review of progress against the goals in June 2018. This includes assessing efforts within Australia, and where Australia has contributed to the efforts of other countries. There is a significant and growing impetus for Australian entities working internationally (businesses, government departments, civil society) to have an aligned and shared game plan to support sustainable growth in Australia and in partner countries.

Australian agencies working in climate change have continued to operate in a dynamic domestic and international policy environment. While there has not been longer-term policy certainty, there is a need for Australian agencies to continue to support developing country partners to respond to pressing climate challenges, and to help build their capacity by drawing on Australia's comparative advantages in climate science and technology. Developing country partner priorities are expressed through their INDCs and national action plans. While many countries have INDCs, countries vary in the extent to which these have been integrated into national development planning and, ultimately, how well they are implemented. Supporting countries, wherever they are in their journey on this process, provide a natural point of alignment for development partners.

In July 2016, the DFAT Development Policy Committee approved a proposal to elevate climate change as a priority aid area. The consequence of the varied policy stance of Australia in recent years on supporting climate change action is that Australia has not progressed as far in comparison to its international peers. From 2013, DFAT lost capability and political attention on climate change. It takes time to rebuild from a lowered base.

Australia is developing a strategic approach—post Paris—for how it will most effectively assist developing countries to build resilience to climate change and adopt less carbon-intensive development pathways. The direction and ambition the department sets in relation to this will in turn dictate the evolving nature and scale of the integration challenge it faces. This will be outlined in the climate change and development strategy, integration and implementation plan expected in 2018.

While Australia has not progressed as far as some other high-income OECD countries, it is possible for DFAT to catch up with those countries that are further progressed. There has already been some hard learning by Australia's peers as they themselves have wrestled with the challenges of integrating climate change into their own practices. This presents opportunities for DFAT to learn from others and accelerate progress, if enabled by strong and visible political leadership.

5.2 Recommendations for setting and pursuing a long-term strategic direction

- 1. DFAT should further increase the profile of climate change in its overarching aid narrative and develop a strategy that clearly articulates its vision, goals and approach to implementation for climate change action across the aid program. The strategy should include:
 - a recognition of the importance of integrating climate change and DRR efforts
 - clear identification of sectors likely to benefit most from early mainstreaming efforts
 - overarching corporate-level indicators against which performance towards achieving climate change goals and objectives can be assessed over time
 - consideration of an accompanying public, annual climate change and DRR progress report that clearly identifies what Australia's ODA investments have achieved in terms of building resilience to climate change (and natural disaster more broadly) and reducing greenhouse gas emissions in partner countries.
- 2. **DFAT's strategy for climate change in the aid program should consider strengthening whole-ofgovernment engagement** (that is, through partnership based on an articulated vision and game plan). In particular, the strategy should reflect continuing support for Australia's strong technical, research and policy agencies to build relationships with partner countries which sustain a focus on development outcomes. Co-design of investments (as opposed to subcontracting their implementation), and active engagement of all partners in investment governance is critical.
- 3. DFAT should invest greater effort in informing development partners of Australia's actions to address climate change, beyond aid, as part of broader diplomatic engagement.

ANNEX 1—INVESTMENTS IN SCOPE

Vietnam case

Investment number	Investment name	Australian government partner	Investment period	Investment value (approximate, AUD million)	Adaptation or mitigation?	Climate change— targeted or mainstreamed?
INJ126	Support Program to Respond to Climate Change	CSIRO	2011—15	\$14	Adaptation	Targeted
INJ577	Integrated Coastal Management Program		2011—18	\$16	Adaptation	Targeted
INK120	Community-based Disaster Risk Management		2011—16	\$5	Adaptation	Targeted
INL081	Climate Innovation centre		2013—18	\$6	Mitigation	Targeted
INK473	Vietnam Climate Change NGO Partnership		2011—16	\$15	Mixed	Targeted
INK376	DFAT-World Bank Vietnam Partnership Trust Fund		2012—16	\$30	Adaptation	Mainstreamed

Pacific regional case

Investment number	Investment name	Australian government partner	Investment period	Investment value (approximate, AUD million)	Adaptation or mitigation?	Climate change— targeted or mainstreamed?
INI962	SPC Climate Change	CSIRO	2009—15	\$9	Adaptation	Targeted
INJ488	Climate and Oceans Support Program in the Pacific	BOM, Geoscience Australia	2010—18	\$40	Adaptation	Targeted
INJ804	SPREP Partnership Agreement 2011–2016		2011—19	\$16	Adaptation	Targeted
INJ964	Pacific Risk Resilience Program	Griffiths University	2011—18	\$17	Adaptation	Targeted

Investment number	Investment name	Australian government partner	Investment period	Investment value (approximate, AUD million)	Adaptation or mitigation?	Climate change— targeted or mainstreamed?
INK303 ³¹	Pacific Australia Climate Change Science and Adaptation Planning Program	BOM, CSIRO, DoEE, Geoscience Australia	2011–16	\$32	Adaptation	Targeted

Solomon Islands case

Investment number	Investment name	Australian government partner	Investment period	Investment value (approximate, AUD million)	Adaptation or mitigation?	Climate change—targeted or mainstreamed?
INJ485	Solomon Islands Transport Sector Based Approach		2010–16	\$38	Adaptation	Mainstreamed
INK466	Solomon Islands Energy Sector—Tina River Hydro		2012–17	\$5	Mitigation	Mainstreamed
INJ711	Kastom Gaden Association		2010–17	\$4	Adaptation	Mainstreamed
INK143	Solomon Islands Urban Water Supply		2011–18	\$17	Adaptation	Mainstreamed
INH615	Solomon Islands Rural Development Program		2007–21	\$35	Adaptation	Mainstreamed
INL125	Solomon Islands Disaster Risk Response		2013–19	\$3	Adaptation	Targeted
INL129	Education Sector Support Program		2015–18	\$71	Adaptation	Mainstreamed

³¹ Also INI516, INI608 and INJ569.

Notable investments (not within a selected country or regional case)

Investment number	Investment name	Country or region	Australian government partner	Investment period	Investment value (approximate, AUD million)	Adaptation or mitigation?	Climate change— targeted or mainstreamed?
ING581	Philippines Disaster and Climate Risks Management	Philippines	Geoscience Australia BOM	2006—17	\$48	Adaptation	Targeted
INJ138	Building resilience and awareness of Metro Manila communities to natural disasters and climate change impacts BRACE Manila	Philippines	Geoscience Australia BOM	2010—15	\$15	Adaptation	Targeted
INH445	Indonesia-Australia Forest Carbon Partnership	Indonesia	DoEE	200714	\$65	Mitigation	Targeted
INL081	MDB Infrastructure Assistance Program	Indonesia		2013—19	\$45	Mitigation	Mainstreamed
INK999	Sustainable Development Investment Portfolio	South Asia	ACIAR, CSIRO	2013—16	\$49	Adaptation	Mainstreamed
INK327	Kiribati Infrastructure	Kiribati		2011—19	\$34	Adaptation	Mainstreamed
INJ700	PNG Climate Change Initiative	PNG	Geoscience Australia	2011—16	\$4.6	Adaptation	Targeted
INJ302	PNG Disaster Risk Management Program	PNG	CSIRO	2010—15	\$7.6	Adaptation	Targeted

ANNEX 2A – EVALUATION MATRIX (EVALUATION PLAN)

Key Evaluation Question	Sub-Question	Level of Enquiry	Data Sought	Evidence Sources
To what extent has Australia's Engagement in climate change reduced vulnerability to climate change (increased resilience or decreased emissions) as a result of targeted and/or mainstreamed action?	Is there evidence that emissions are lower, or communities are more resilient as a result of Australian engagement? Achievement of CC results: Results HAVE been achieved Look likely to be achieved Look unlikely to be achieved Results HAVE NOT been achieved	Corporate Program Investment	Agency wide Reporting/data on greenhouse gas emissions reduced. Corporate reporting on adaptation. For example: numbers of people with improved access to climate information, number of people covered by flood/early warning systems, crop losses avoided through climate smart agriculture) Program wide reporting—as relates to portfolio Investment Level Reporting—as relates to investment	Performance of Australian Aid Report, DFAT Annual Report, Interviews with CC and DRR division, look at link to Sustainable Development Goals Review of Annual Program Performance Report and reporting back on PAFs, country/regional interviews Investment progress Reports, AQCs, Investment M&E systems, investment level interviews
	To what extent are the five identified domains of effective climate change integration evident within DFAT? Are there any examples of particularly good or poor practice and what was the impact of this?	All	See Annex 3B.	See Annex 3B.
2. What factors have contributed to or detracted from, effectiveness of Australian engagement in climate change?	To what extent has engagement with strategic partners contributed to improved program delivery? Are there any examples of particularly good or poor practice and what was the impact of this? Are there any opportunities for improvement or leverage?	Corporate Program Investment	Level of engagement of strategic partners in strategic Australian approach/policy to international engagement on CC Extent of collaboration and working together to implement complementary programs and/or international policy dialogue. Engagement of strategic partners in program level policy direction setting Extent of strategic collaboration to deliver on the Australian Aid Program in country/region. As above at investment level	Interviews with DoEE, ACIAR, BoM, CSIRO, Geoscience, Dept. Agriculture and Water Resources, ACFID/NGOs, Private Sector, CCB, DRR Branch, Corporate document review Interviews with relevant partners (focus on Australian Govt partners) at country/regional level, DFAT CC lead and Head of Program. Documents: AIP, sector investment plans, APPRs

Key Evaluation Question	Sub-Question	Level of Enquiry	Data Sought	Evidence Sources
				Interviews with relevant partners at investment level, DFAT Investment Managers, Documents; Design Documents, Investment reports, evaluations.
	To what extent have gender and disability inclusiveness been explicitly considered in targeted CC investments? Are there any examples of particularly good practice or significant missed opportunities and the impact of these?	Corporate Program Investment	Evidence at policy and guidance level of the benefits of considering gender in CC investments and vice/versa. Evidence from reporting of the relationship. Evidence at Program level strategy and reporting Evidence at Investment level design and reporting	DFAT CC Policy, Interviews with CC and Gender divisions AIP/APPR, interviews with Country program leads, gender focal points. Investment progress Reports, AQCs, investment level interviews
	Are there other factors (not identified above) that have contributed to or detracted from effectiveness of delivering on CC?	All		Interviews and document review
3. What is, or has been, the relationship between Climate Change Action and Australian security, trade, economic and diplomatic interests?	Are there any examples of where climate change has been linked (positively or negatively) to security, trade, economic or diplomatic interests?	All	Evidence of strategic documents linking CC with other policy priorities. Evidence of where CC investments have been impacted by changes in trade, security, economic or diplomatic interests or where CC has been used to leverage those interests.	Document review at all levels. Interviews at all levels
4. To what extent are the benefits of Australia's Climate Change Action likely to continue beyond the life of the investments and what systems are in place to make sure this occurs?	What evidence is there to suggest that adaptation/mitigation benefits will endure after the investment concludes? Assess sustainability in terms of: Benefits will endure in all/almost all areas Benefits will endure in major areas Some benefits may endure but not in major areas There is little/no evidence that benefits will endure.	Investment and Program Level	Evidence of local ownership, risks well managed, delivered through local systems (see below), ongoing financing, local capacity built, systems put in place to make sure sustainability will be enhanced.	Investment level interviews and document review (AQCs, Completion or Annual Reports, Evaluations).

Key Evaluation Question	Sub-Question	Level of Enquiry	Data Sought	Evidence Sources
	To what extent have DFAT program priorities been aligned with NAPs on climate change? To what extent is there congruence between Australia's bilateral programming priorities and Australia's approach to working with relevant regional organisations?	All Program	Evidence of alignment in policy and practice at Department, Program and Investment levels. Evidence of partner government commitment to delivery of NAP priorities and to DFAT delivery through partner systems as far as possible.	Policy/strategic planning documents, and interviews with CC leads (Department, Program and Investment level). Country Cases, but particularly the regional case.
	Is there evidence to suggest consideration of climate change in the investment has enhanced sustainability? Are there any examples of particularly good practice where it is possible to identify what systems were put in place/approaches taken to enhance sustainability?	Investment and Program Level	Interesting cases at investment or program level where it is possible to identify the factors that have supported sustainability to be enhanced.	Assessment of KEQ1 at investment and program level, Assessment of levels of sustainability (KEQ4, subquestions 1–2), interviews.
5. How credible are the methods or approaches the	What methods are in place to determine that investing in climate change is good value for money? Assess in terms of: do they exist at each level: yes/no/unclear What is the credibility of these methods to demonstrate value for money: Robust (methodical, well considered and informed) Adequate (some consideration) Weak/Unclear (lack basis).	All	See Annex 3 - M&E/Reporting systems.	See Annex 3B.
methods or approaches the Department uses to establish Value for Money?	Have investment managers made delivery choices that demonstrate climate change impact and value for money (return on investment) have been sensibly balanced? Are there any examples of particularly good balanced assessments, that provide insight into how this was done, or missed opportunities which had unintended impacts/costs?	Investment & Program	Evidence that investment managers have considered different types of investment, modes of delivery, levels of safeguard to deliver the same outcomes (mitigation and/or adaptation). Evidence that the benefits of the investment outweigh the costs.	Program: AIPs, APPR, Program interviews Investment: Design documents, Design Appraisals, annual reports, AQCs, evaluations, investment level interviews

ANNEX 2B – INVESTIGATING GOOD PRACTICE INTEGRATION (EVALUATION PLAN)

Demein	Element of Coord Departics Internation Lines of English	Level of E	Enquiry—look for evider	Evidence Sources	
Domain	Element of Good Practice Integration - Lines of Enquiry:	Agency	Program	Investment	- Evidence Sources
	Clear goals and objectives and outcomes for climate change exist within the agency	Exists	Reflected at program level		Corporate Plan, Climate Change Policy, AIPS and Sector Investment Plans
	The agency goals include clear mainstreaming objectives	Exists	Evidence of application	Evidence of application	As Above
Climate change and ODA strategic clarity	Goals, objectives and outcomes are supported by a clear, feasible implementation plan	Exists and evidence of delivery	Exists and evidence of delivery		As Above + interviews to assess feasibility
	Climate change and DRR policy agendas are closely aligned or integrated	Exists	Exists + Evidence of application	Evidence of application	Policy papers, interviews with CC and DRR branches.
	There is a long-term commitment (including funding) to integrate climate change	Public commitment	Public commitment		Policy papers, Corporate Plan, AIPs interviews with senior management
Internal design/	Mandatory climate change screening occurs for all projects (Design/Approval)	Mandate exists	Knowledge of and use	Knowledge of and use	Aid Programming Guide, interviews with CC team, Design unit, environmental safeguards + DRR
Internal design/ approval/ management processes	Climate change impact assessments are undertaken for major projects with an identified climate change focus/link	Mandate exists	Knowledge of and use	Knowledge of and use	Aid Programming Guide, interviews with CC team, Design Unit, environmental safeguards
	Guidance documents and support tool exist to help program staff to integrate CC at the design stage	Guidance/tools exist and use	Knowledge of and use	Knowledge of and use	Aid Programming Guide, interviews with CC team, Design unit, environmental safeguards

Domoin	Element of Coord Drootice Integration - Lines of Enguing	Level of E	nquiry—look for evider	Evidence Sources	
Domain	Element of Good Practice integration - Lines of Enquiry:	Agency	Program	Investment	Evidence Sources
	Staff have access to CC specialists, support units/helpdesks, focal points	Support Exists and use	Support exists and use	Knowledge of and use	CC team + external resourcing, demand V supply, self-assessed confidence to meet DFAT staff needs, interviews
		Training Exists and use	Access and use	Access and use	Diplomatic Academy training schedule, CC team, interviews
Monitoring, evaluation and staff capacity	Robust M&E systems, using appropriate adaptation and/or mitigation indicators.	Exists and use	Exists and use	Exists and use	Document and guidance review (APG), review of Corporate targets/reports, AIPs/APPRs, Investment M&E Frameworks and Reports
	CC indicators are part of DFAT's core/mandated organisational reporting processes and part of a mandatory annual reporting process	Exists	Evidence of application	Evidence of application	Document and guidance review (APG), review of Corporate targets/reports, AIPs/APPRs, CC team, interviews
	Departmental measures (indicators) and reports on how CC has been mainstreamed across the portfolio.	Exists	Evidence of application	Evidence of application	Document and guidance review (APG), review of Corporate targets/reports, AIPs/APPRs, CC team interviews
	Tools and guidance on how to set up appropriate M&E systems for climate impacts exist.	Exists and use	Knowledge and Use	Knowledge and Use	Aid Programming Guide, interviews with CC team, Design unit, environmental safeguards
	Staff are adequately "climate aware" and have the skills to apply guidance and tools	Awareness+ application	Awareness+ application	Awareness + application	Interviews, self-assess awareness (scale 1–10) Cross check with application within programs/projects

Domoin	Element of Cood Practice Integration Lines of Enguing	Level of E	nquiry—look for evider	Evidence Sources	
Domain	Element of Good Fractice integration - Lines of Enquiry.	Agency	Program	Investment	Evidence Sources
	Reports document climate change impacts providing an insight into value for money, providing meaningful lessons learned, and guiding future programming.	Reports exist, published, used	Reports exist, published, used	Reports exist, published, used	Document review, website review, interviews.
	Evaluation Reports systematically incorporate/consider climate change.	Guidance, strategic evaluations	Evidence of application	Evidence of application	Interview with ODE, review of investment level evaluations
	Average share of total ODA funds tagged as climate change finance increasing (indicator of mainstreaming)	Agency View	Program View		Historical and projected budget and expenditure
Financing	Balance of bilateral expenditure between adaptation and mitigation (target around 50 per cent)	Agency View	Program View		Breakdown of CC tagged funding, interviews with CC team, review method
	Balance of multilateral V bilateral expenditure (target 25–30% multilateral)	Agency View	Program View		Breakdown of CC tagged funding, interviews with CC team
	There is consistent and vocal senior management leadership of CC integration	Examples	Examples	Examples	Document/policy statement review, interviews
Policy commitment and Leadership	Senior officials engage in policy dialogue on CC with other development agencies and recipient countries at key entry points (aid planning processes, general or sector budget support, public sector reform or other reviews)	Examples	Examples	Examples	Interviews, document review, policy statements, press releases
	Performance, recognition and promotion system that rewards staff and leadership for effectively leading and delivering on the integration of climate change	Policies/procedures & application	Policies/procedures & application	Application	HR Policy review, interviews