CIF CLIMATE INVESTMENT FUNDS

NPC INVESTMENT PROGRAM MONITORING AND REPORTING TOOLKIT

Operational Guidance on the NPC M&R System

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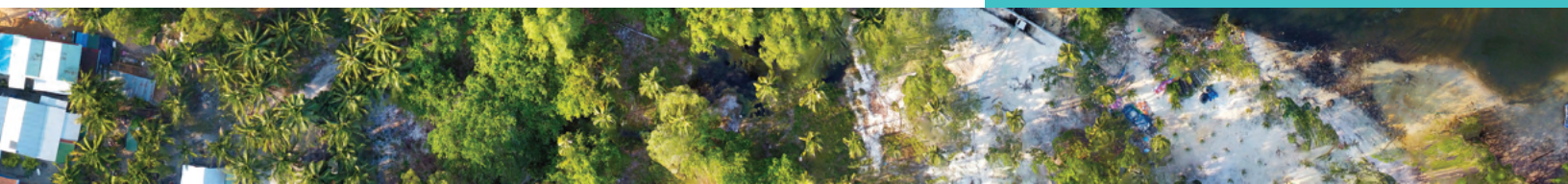
M&R TOOLKIT SERIES //

Monitoring and Reporting Toolkit

CIF Program: Nature, People, and Climate

TOPICS

- Monitoring and Reporting
- Nature, People, Climate
- Results and Impact



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EXECUTIVE SUMMARY

The Nature, People, and Climate Investment Program Monitoring and Reporting System (NPC M&R System) described in this toolkit is designed to set expected results and track progress toward the program's main objective: improving the use and management of land and other natural resources for low-carbon and climate-resilient livelihoods and businesses. The toolkit builds on the theory and design features laid out in the NPC Integrated Results Framework (CIF 2021) and the NPC Investment Program Design Document (CIF 2022a) and provides detailed, comprehensive operational guidance on how the full NPC M&R System is implemented.

The NPC M&R System is united with other CIF M&R systems through a common framework of key elements, but it is adapted to fit the specific programming context of nature, people, and climate. This includes specific roles and responsibilities for both NPC recipient countries and implementing MDBs, as well as the CIF Secretariat (see Section 2). The NPC M&R System comprises tailored approaches for country investment plan M&R during design, endorsement, and implementation phases, and project-level M&R during the design, approval, implementation, and completion phases. While this toolkit focuses specifically on NPC's M&R function, NPC M&R plays a role that is complementary to additional evaluation, learning, gender, and social inclusion approaches reflected in and beyond the multi-dimensional NPC Integrated Results Framework.

Six categories of indicators make up the NPC M&R System: (1) CIF Impact Indicators, (2) NPC Country Impact Indicators, (3) NPC Core Indicators, (4) NPC Co-Benefit Indicators, (5) NPC Optional Indicators, and (6) NPC Project-Specific Indicators. Some indicators, like CIF Impact Indicators and NPC Country Impact Indicators, are situated at a high level of results and are designed to capture results relevant to CIF as a fund and to specific NPC country investment plans.

The nine NPC core indicators (Category 3) form the foundation of the system and are required to be reported by MDBs for all NPC projects on an annual basis, when relevant to a project's objectives. The toolkit provides detailed guidance on each of these core indicators, including: an overview and rationale; precise definitions of their components; methodological guidance for baselines, expected results, and achieved results; information on required and optional disaggregation per indicator; other indicator-specific considerations; anticipated data sources; and a bespoke reference list.

Co-benefit indicators are designed to capture additional social, economic, and environmental development outcomes that are not a central objective of NPC itself. MDBs are required to identify and report on at least one co-benefit indicator per project. In addition, the CIF Secretariat may synthesize additional reporting made available by MDBs on NPC optional indicators and project-specific indicators.

Several additional features of NPC M&R and related CIF approaches to results analysis complement the use of indicators. These include, but are not limited to, multi-stakeholder review mechanisms for country investment plans, signals and dimensions of transformational change, gender and social inclusion results and analytics, development impact modeling, Sustainable Development Goal mapping, narrative reporting, program evaluation, and capacity building and learning activities. A comprehensive description of the evaluation and learning approach for NPC can be found in a separate toolkit, Maximizing Transformational Impact.

The NPC M&R Toolkit concludes with practical guidance on how users can navigate the online CIF Collaboration Hub portal to fulfill their annual results reporting roles and responsibilities. As a living document, the NPC M&R Toolkit is subject to future review and modifications, following CIF's experience deploying the NPC M&R System.

LIST OF ABBREVIATIONS

ACT	Accelerating Coal Transition
AFOLU	Agriculture, Forestry, and Other Land Use
BII	Biodiversity Intactness Index
B-INTACT	Biodiversity Integrated Assessment and Computation Tool
CBD	UN Convention on Biological Diversity
CCH	CIF Collaboration Hub
CIF	Climate Investment Funds
CSA	Climate-Smart Agriculture
CTF	Clean Technology Fund
DGM	Dedicated Grant Mechanism for Indigenous Peoples and Local Communities
E&L	Evaluation and Learning
ESVD	Ecosystem Services Valuation Database
EX-ACT	Ex-Ante Carbon-Balance Tool
FAO	Food and Agriculture Organization of the United Nations
FIP	Forest Investment Program
GCF	Green Climate Fund
GEF	Global Environment Facility
GHG	Greenhouse Gas
GIS	Geographic Information Systems
GWP	Global Warming Potential
HIPSO	Harmonized Indicators for Private Sector Operations
IFI	International Financial Institution
ILO	International Labor Organization
IPCC	Intergovernmental Panel on Climate Change
IRF	Integrated Results Framework
IUCN	International Union for the Conservation of Nature
JIM	Joint Impact Model

MDB	Multilateral Development Bank
M&E	Monitoring and Evaluation
MEL	Monitoring, Evaluation and Learning
M&R	Monitoring and Reporting
MRV	Monitoring, Reporting and Verification
MSA	Mean Species Abundance
MSME	Micro, Small, and Medium Enterprises
NAP	National Adaptation Plans
NBS	Nature-Based Solution
NDC	Nationally Determined Contributions
NPC	Nature, People, and Climate Investment Program
OECD	Organization for Economic Co-operation and Development
ORR	Operational and Results Report
PPCR	Pilot Program for Climate Resilience
REDD	Reduced Deforestation and Forest Degradation
REI	Renewable Energy Integration
SDG	Sustainable Development Goal
SREP	Scaling Up Renewable Energy Program
STAR	Species Threat Abatement and Restoration Metric
TFC	Trust Fund Committee
TWG	Technical Working Group
UNEP	United Nations Environment Program
UNFCCC	United Nations Framework Convention on Climate Change
US EPA	United States Environmental Protection Agency
WBCSD	World Business Council for Sustainable Development
WRI	World Resources Institute

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1. INTRODUCTION

1.1 Overview

CIF's Nature, People, and Climate Investment Program (NPC) was launched in 2022 to improve the use and management of land and other natural resources for low-carbon and climate-resilient livelihoods and businesses.

Under the program, CIF provides concessional climate finance to its partner multilateral development banks (MDBs), which support NPC recipient countries to develop bespoke, multi-project investment plans aimed at harnessing the potential of land, resources, and ecosystems in climate action and targeting context-specific barriers to their sustainable use and management in each recipient country. NPC country investment plans are expected to establish a shared vision for sustainable land and resource use amongst national governments, sector agencies, the private sector, local communities, and Indigenous Peoples. Based on this shared vision and dedicated concessional resources, NPC enables the deployment of nature-based solutions and related approaches that can boost sustainable livelihoods and businesses, mitigate greenhouse gases, build resilience at the local level, and conserve, restore, and enhance natural resources in an integrated manner.

The explicit focus of NPC is to address sustainable land use and natural resource opportunities across a range of sectors and ecosystems through both enabling environment activities and enabling investments. The former may cover aspects such as land-use diagnostics, land and natural resource management frameworks, land-use institutional and governance systems, land-use policies and regulations, public budgeting, and capacity building. Enabling investments cover a wide range of nature-based solutions and related approaches relevant to climate action, land, and ecosystems within agriculture and food systems, coastal systems, forests, and other ecosystems. Cross-cutting approaches employed throughout the program seek to tackle risks and financing barriers, foster innovation and knowledge, and provide dedicated resources to Indigenous Peoples and local communities (such as through the Dedicated Grant Mechanism).

The NPC Monitoring and Reporting System (NPC M&R System) described in this toolkit is designed to set expected results and track progress toward the program's outcome areas over time. It tests the soundness of the theoretical model and enables course-correction, learning, knowledge generation, and decision making. The system fosters accountability and supports countries and MDBs in strengthening their investments and implementation activities toward NPC's ultimate program objectives.

1.2 NPC Integrated Results Theory and Design

NPC's underlying theory of change (see Figure 1) posits that investments based on an integrated, system-wide approach can reconcile competing uses of land and other natural resources to unlock the potential of nature for climate action, in turn improving the health of land and other ecosystems, reducing greenhouse gas emissions, enhancing the sustainability and climate resilience of livelihoods and businesses, and mobilizing additional

public and private funding toward these shared objectives. All of this is expected to contribute toward CIF's ultimate mission to achieve accelerated transformational change and climate financing that enable progress toward net-zero emissions and adaptive, climate-resilient development pathways, in a just and socially inclusive manner.

FIGURE 1. NPC Theory of Change

CIF IMPACT	Accelerated transformational change and climate financing that enable progress toward net-zero emissions and adaptive, climate-resilient development pathways, in a just and socially inclusive manner							
PROGRAM IMPACT	Improved use and management of land and other natural resources for low-carbon and climate-resilient livelihoods and businesses							
OUTCOMES	Improved management of natural resources	Increased adoption of sustainable supply chains	Strengthened enabling environment of sustainable uses of land and other natural resources	Increased access to capital and budgeting for sustainable uses of land and other natural resources	Mobilized public and private capital	Rural communities and Indigenous Peoples' sources of livelihoods improved	Business case for private sector investment demonstrated	Fostered land and natural resource innovation
OUTPUTS	• Climate-related challenges in relevant land-use systems and other ecosystems identified • Priority areas for climate action identified • Partnerships between stakeholder groups established		• Investment action plans developed or enhanced • Public and private priority investments identified and prepared			• Integrated sustainable landscape investments implemented • Enhanced access/availability of climate solutions • New climate finance instruments piloted • Indigenous People, women and local communities provided direct access to finance to develop their own projects		
ACTIVITIES	**Phase 1: Land-Use/Ecosystem Diagnostics** Identify priority areas for interventions and barriers to sustainable use and management of land and other ecosystems		**Phase 2: System-Wide Investment Action Plans** Engage multiple stakeholders in the development of integrated landscape-wide approaches and prioritization of investments			**Phase 3: Development, Implementation, and Monitoring of Catalytic Investments** • Prepare and implement coherent, system-wide investments in partnership with government, businesses, local communities, and Indigenous People • Development and monitoring and verification systems		
INPUTS	Scaled-up, flexible and predictable concessional finance for public and private interventions	Dedicated climate finance for driving innovation	Country-led, programmatic, participatory approach	Consideration of systems transformation and social inclusion at the onset		Multi-MDB technical expertise and coordinated climate action	Large-scale, coherent intervention packages	

The Nature, People, and Climate Investment Program Integrated Results Framework (NPC IRF, CIF 2021)[1] is the approved governing document for NPC monitoring and reporting (as well as evaluation, learning, and results-related aspects of gender) at the design stage. It serves to outline the program's results chain based on the foundational theory of change. It also establishes an innovative, new approach to results management in climate finance that emphasizes holistic, multi-level, multi-dimensional results. The NPC IRF presents a comprehensive view of NPC's expected results within a single design framework by fully incorporating elements related to the following areas:

- Evaluation and learning
- Transformational change
- Gender and social inclusion
- Just transition
- Sustainable Development Goals (SDGs)
- Development impacts/co-benefits
- Fundamental program results and corresponding indicators.

Figure 2 illustrates how this structure is set up. A vertical axis stacks **results levels** from "Program Output Results" upward to "Program Outcome Results", "Program Co-Benefits", "Program Impact Results", and "CIF Impact Results" respectively. Each level contains several discrete results statements expected to be achieved by the program at that level. This is the same approach used in most results frameworks, albeit adapted to CIF's programming context.

Along its horizontal axis, the integrated results framework contains both a **monitoring approach** (the column in the middle following the results levels) and an **evaluation and learning approach** (the right-hand column). Each discrete results statement (in the left-hand column) thus corresponds both to a monitoring approach and an evaluation and learning approach. These dual approaches are designed to complement each other, leveraging different tools, methods, and forms of evidence, but strategically combining them when applicable. Other key results' features, such as gender, social inclusion, and just transition components, are integrated throughout the framework in both the "monitoring" and "evaluation and learning" columns, as applicable.

FIGURE 2. Structural Overview of CIF's Integrated Results Framework and Key Features of Monitoring, Evaluation, and Learning Functions

RESULTS LEVELS	MONITORING APPROACH	EVALUATION AND LEARNING APPROACH
CIF Impact Results Program Impact Results Program Outcome Results Program Co-Benefits Program Output Results	• CIF-level indicators • Country-level indicators • Core indicators • Co-benefits/development impact modeling and monitoring • SDGs • Gender, social inclusion, and distributional disaggregation	• Transformational change signals across dimensions • Just transition studies • Co-benefits/development impact evaluations • Gender, social inclusion analytics • Learning platforms • Other targeted evaluations and learning activities

As a whole, the integrated results framework comprehensively structures both the multi-dimensional results expected to be achieved through NPC and how the program's approach to monitoring, evaluation, learning, gender, and other key issue areas (e.g., SDGs and development co-benefits) attempts to capture these results at multiple levels. This approach is based on the CIF Monitoring, Evaluation, and Learning Policy and Guidance document (CIF MEL Policy, CIF 2022b), which governs monitoring, evaluation, and learning activities across all CIF programs. Table 1 summarizes the complementary monitoring, evaluation, and learning functions used to assess each level of NPC's expected results.

TABLE 1. Summary of NPC Monitoring, Evaluation, and Learning Approach

RESULTS LEVEL	SUMMARY OF MONITORING, EVALUATION, AND LEARNING APPROACH BY LEVEL
CIF Impact: Accelerated transformational change and climate financing that enable progress toward net-zero emissions and adaptive, climate-resilient development pathways, in a just and socially inclusive manner	Anchored by CIF-level indicators and transformational change concepts, methods, and metrics that are relevant across CIF programs
NPC Impact: Improved use and management of land and other natural resources for low-carbon and climate-resilient livelihoods and businesses	Country-driven[2] approach based on NPC investment plans, NDCs, national development priorities, multi-stakeholder review, and macro-level proxy reporting on land and natural resource management at national and/or territorial scale Program evaluation(s) and targeted learning opportunities (e.g., NPC learning platform)
NPC Outcomes: (A) Improved management of natural resources (B) Increased adoption of sustainable supply chains (C) Strengthened enabling environment for sustainable uses of land and other natural resources (D) Increased access to capital and budgeting for sustainable uses of land and other natural resources (E) Mobilized public and private capital (F) Rural communities and Indigenous Peoples' sources of livelihoods improved (G) Business case for private sector investments demonstrated (H) Fostered land and natural resource innovation	Core indicators reported by MDBs on all NPC projects with CIF aggregation of results at NPC portfolio level Targeted, country-focused, and thematic evaluation, learning, and gender approaches
NPC Co-Benefits: Social, economic, and environmental development co-benefits	At least one co-benefit reported by MDBs per NPC project Additional analytics, evaluation, and learning activities led by CIF

NPC Outputs:

Phase 1 – Diagnostics

(A) Climate-related challenges in relevant land-use systems and other ecosystems identified

(B) Priority areas for climate action identified

(C) Partnerships between stakeholder groups established

Phase 2 – Investment Plan

(A) Investment action plans developed or enhanced

(B) Public and private priority investments identified and prepared

Phase 3 – Investment Implementation and Monitoring

(A) Integrated sustainable landscape investments implemented

(B) Enhanced access/availability of climate solutions

(C) New climate finance instruments piloted

(D) Indigenous Peoples, women, and local communities provided direct access to finance to develop their own projects

Phase 1 and 2 outputs reflect NPC's operational business model and are not part of the NPC M&R System per se. They are included here to present a comprehensive view of how the program's design maps to the results chain.

Phase 3 outputs provide a broad framework of results outputs expected under NPC, which can be incorporated into project-level M&E frameworks by MDBs as relevant.

More limited evaluation, learning, and gender activities expected at the output level.

1.3 Objectives and Scope of NPC M&R Toolkit

This toolkit serves as the implementing arm of the monitoring and reporting components[3] of the NPC IRF. Whereas the integrated results framework presents a blueprint of the main results the program expects to achieve, **this toolkit provides practical, step-by-step operational guidance on how to measure, monitor, and report on program results from start to finish.**

It is intended as a resource for a broad range of NPC-specific and global stakeholders: MDBs, recipient countries, in-country stakeholders, contributor countries, civil society, observers, and others interested in how to monitor and report on issues related to the sustainable use and management of land and natural resources, nature-based solutions, and climate action that combines mitigation and adaptation in an integrated manner. It covers both minimum results reporting requirements for the program and flexible opportunities for enhancing results-based design, monitoring, and learning in targeted cases.

At its core, the toolkit outlines and establishes the NPC M&R System. It consists of guidance and tools for monitoring and reporting on the progress and performance of NPC projects and programs[4] via a combination of NPC core indicators, co-benefit indicators, optional indicators, and project-specific indicators (all at the MDB project level), CIF-level indicators (tabulated by CIF based on available data from other indicators), and customized investment plan reporting (at the national level of each recipient country). The toolkit covers specific information on each of the indicator categories, indicator definitions, methodological guidance, stakeholders' roles and responsibilities, and annual reporting protocols.

A separate toolkit, Maximizing Transformational Impact, lays out key considerations surrounding NPC's **evaluation and learning** approach, which consists of numerous tools, methods, and instruments that can be deployed on a flexible and demand-driven basis to assess the merit, worth, value, or significance of NPC interventions. The evaluation processes draw on data generated by the NPC M&R System but also generate, analyze, and interpret additional information to support learning and change. The approach is especially critical in enhancing complex systems-level design and analysis of NPC, such as the program's contribution to **transformational change** and **just transition** processes.

Gender and social inclusion elements of the NPC investment program are cross-cutting and are dynamically integrated throughout the monitoring and reporting approach presented in the toolkit, as well as in relevant evaluation and learning activities beyond the scope of this toolkit.

1.4 Key Elements of the NPC M&R System

NPC, like all CIF programs, deploys its own M&R system fit for purpose. This approach is intended to reinforce CIF's programmatic approach, while providing distinct mechanisms for reporting on country progress, investment plan implementation, and core project-level outcomes in the context of each program (CIF 2022b, Section 5.1, Para 11).

In addition to having program-specific features, the NPC M&R System is unified with other CIF M&R systems through a common framework of the following key elements:

a. **Integrated results frameworks:** Each CIF program is governed by a single framework that describes the key results the program intends to achieve and indicators to measure them, along with integrated evaluation, learning, and gender considerations. The integrated results frameworks are approved by the appropriate CIF Trust Fund Committee (TFC) at program inception. As living documents, they can be adjusted over time at the request of the TFCs, based on CIF's experience implementing them.

b. **M&R toolkits (i.e., this document):** Each CIF program's M&R system is comprehensively described through a unique M&R toolkit. Toolkits include, among other features, precise indicator definitions, methodologies, measurement guidance, and reporting protocols. Toolkits for newer CIF programs further integrate evaluation, learning, and gender considerations.

c. **Core indicators:** Each CIF program measures its primary results via a concise set of mandatory core indicators that are tracked and reported for all projects within the program. Typically reported by MDBs, core indicators are approved by the relevant CIF TFC.

d. **Expected results:** All core indicators and other indicators reported by CIF projects and programs must first establish their expected results (i.e., set targets). Expected results can cover annual, project lifetime, and/or investment lifetime periods, as defined in the M&R toolkit. CIF measures the total results achieved for each project.

e. **Co-benefit indicators:** Defined per program, co-benefit indicators measure outcomes that are central to the economic, social, and/or environmental outcomes of a CIF investment beyond the primary climate and sector goals of the program.

f. **Optional or project-specific indicators:** These indicators measure project-specific outcomes that are central to a given CIF project's objectives, although not captured in the core indicators. Some optional indicators are included in the integrated results framework as suggestions for projects to consider including. Project-specific indicators are included at the discretion of MDBs.

g. **MDB project reports:** CIF draws from and optimizes the use of MDBs' own monitoring and evaluation (M&E) function at the project level by collecting and collating project log frames, supervision reports, mid-term reviews, project completion reports, and other project M&E documents from MDBs.

h. **CIF Collaboration Hub (CCH):** Results from all of CIF's programmatic M&R systems are reported online in the CCH portal, CIF's integrated online information management system.

i. **Operational and results reports (ORRs):** Annual program results are aggregated, analyzed, and written up for CIF TFCs in a results report, or operational and results report, for each program. These are the main annual outputs produced from CIF's M&R systems.

j. **Qualitative and narrative reporting:** CIF's M&R systems rely on qualitative and narrative reporting approaches to fill information gaps and complement the quantitative results reported.

Many CIF M&R key elements are further defined and customized to meet the specific needs of NPC. For example, whereas all CIF programs utilize core indicators, several NPC core indicators are different from those used in other CIF programs. The NPC M&R System comprises six categories of indicators overall (see Section 3) and a suite of complementary tools and methods (see Section 4).

The following program-specific features of the NPC M&R System[5] aim to enhance the program's approach to M&R at the recipient country level:

Country impact indicators: A limited number of customized proxy indicators are selected in consultation with NPC recipient countries to track each country's overall progress toward the sustainable land and natural resource management objectives stipulated in the investment plan. These indicators are typically drawn from the national (or sectoral) M&E system; Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs); international monitoring initiatives; or other available data sources.

Multi-stakeholder review mechanisms: NPC recipient countries are expected to utilize a multi-stakeholder review mechanism as part of their NPC M&R approach. Review mechanisms enable recipient countries to inclusively self-assess progress made on their investment plans. They might include national workshops, South-South learning events, or other modalities. CIF encourages countries to deploy this flexible mechanism at least three times over the course of the investment plan's implementation period (at baseline, mid-term, and end-line). CIF also aims to support recipient countries in implementing the mechanism, in coordination with MDBs, on a demand-driven basis.

1.5 CIF Monitoring, Evaluation, and Learning Principles and Approach

Since 2022, CIF has adopted an integrated approach to monitoring, evaluation, and learning (MEL), with activities designed to complement each other in the pursuit of a cohesive body of evidence for results management, accountability, and learning (CIF 2022b, Section 3, Para 7). While this toolkit primarily focuses on the monitoring function for NPC, the activities and approach described herein all adhere to the following guiding principles of CIF's monitoring, evaluation, and learning umbrella:

- Integrated MEL Approach
- Programmatic MEL with Country Ownership
- MDB Harmonization
- Multi-Stakeholder Engagement

- Applied Learning
- Inclusive Transformational Change
- Gender and Social Inclusion
- Climate and Development Alignment
- Innovation
- Timeliness and Cost-Effectiveness
- Ethical Execution
- Transparency

These principles are applied to the design of the NPC M&R System and are adapted to meet NPC's unique programming context.

2. NPC MONITORING AND REPORTING APPROACH

2.1 NPC M&R Levels

CIF approaches monitoring of results as the systematic collection and analysis of information to track outputs, outcomes, and impacts from projects and programs throughout implementation, which fulfills dual accountability and applied learning functions at multiple scales (CIF 2022b, Section 1, Para 3).

The central focus of the NPC M&R System is situated at the outcome level. At this level, **all NPC-funded projects are required to report on the program's nine core indicators (when relevant to the project's objectives).** The core indicators are designed to capture progress and achievements in the key results areas that the program expects to achieve across projects. MDBs are responsible for reporting on the core indicators on an annual basis through the CCH portal. Core indicators should be identified within each project's results framework at the time of CIF TFC approval, then refined and fully integrated into the project's results framework by the MDB Board approval stage.

The NPC M&R System also features co-benefit indicators at the outcome level. While at the same level as the core indicators, co-benefit indicators relate to NPC projects' achieved development outcomes that are not directly linked to NPC's main objective (e.g., green growth, which is the economic growth of targeted sectors or industries within the landscape or ecosystem; governance, policy, and planning; land tenure, rights, and access; biodiversity; etc.). **NPC-funded projects are required to propose at least one co-benefit indicator at the time of CIF TFC approval, and to include one or more of these indicators within the project's results framework by the MDB Board approval stage.**

Optional indicators in NPC are listed in the NPC IRF and this toolkit to help guide MDBs in developing results frameworks for NPC-funded projects. CIF captures and aggregates their progress throughout NPC as reported by MDBs. Optional indicators are situated at both the outcome and output levels.

Monitoring and reporting activities at the program output level are more limited. Under CIF's business model, MDBs are responsible for supervising on-the-ground implementation of all NPC-funded projects, and the NPC M&R System is thus intentionally designed not to create duplicate or parallel systems from those the MDBs are already implementing at project level. NPC output indicators are nonetheless included within the NPC IRF to illustrate the results expected at this level, and they can be used by MDBs to help guide project design, monitoring, and evaluation considerations.

NPC's program impact-level monitoring approach is tailored to each recipient country's investment plan focus and national context. **CIF collaborates with NPC recipient countries after their NPC investment plan is endorsed to identify select impact-level indicators per country, which are monitored and reported on by NPC recipient country focal points over time.** Recipient countries might draw from existing national statistics, NDCs, NAPs, macro-level proxy reporting on sector progress, international monitoring initiatives, or other sources to fulfill this level of monitoring. This flexible approach may be adapted over time as the program gains—and learns from—experience implementing it in different country settings.

At the CIF impact level, project results are tracked and aggregated through the lens of four CIF impact indicators: mitigation, adaptation, beneficiaries, and co-finance. Together, these cover key aspects of CIF's mission. In most cases, NPC-funded projects do not need to specifically list these indicators within their own results frameworks. The CIF Secretariat is responsible for mapping available results data from core indicators, project-specific indicators, and other project data sources onto these four high-level CIF impact indicators to report results across programs where applicable. Some of the results data from NPC core indicators automatically feed upward into CIF impact indicators (e.g., GHG emissions reduced or avoided or enhancements of carbon stocks from NPC will automatically feed upward into CIF's total GHG emissions reduced or avoided; while the number of people receiving livelihood benefits due to NPC will feed upwards into CIF's total beneficiaries.) In other cases, NPC's contribution to CIF impact areas is only applied if MDBs include a relevant indicator into the project-level results framework of an NPC-funded project (e.g., in the area of adaptation). NPC's gender impacts are considered across the entire M&R spectrum in a cross-cutting manner (see Box 1).

BOX 1. Monitoring NPC Progress on Gender Issues

NPC progress on gender issues is another key element of NPC's implementation and results. It is assessed through a combination of approaches both within the NPC M&R System and through separate mechanisms. Within the NPC M&R System, gender-disaggregated core and co-benefit indicators are expected to contribute to the body of evidence on gender. MDBs also have the option to identify one or more gender-specific indicators under their co-benefit reporting (see Section 3.4). Additional approaches to assessing gender-related issues in implementation and results are expected to take place outside the main NPC M&R System. Please refer to CIF's Harnessing Climate Finance to Advance Women's Climate Leadership for more detailed guidance on assessing gender-issues.

See Section 4.3 for more comprehensive information on CIF's multi-pronged approach to monitoring NPC progress on gender issues.

2.2 NPC M&R Roles, Responsibilities, and Process

The NPC M&R System is the cornerstone of results management in the program. Implementing it is a minimum requirement across all recipient countries and MDB-approved projects. As in other aspects of CIF, the NPC M&R System relies on the partnership of multiple CIF actors along the investment continuum. The CIF Secretariat, MDBs, NPC recipient countries, and other program stakeholders all have a unique role to play in ensuring that the system functions effectively.

The CIF Secretariat is responsible for managing the system's design and execution, monitoring, and analyzing NPC contributions to expected results (as outlined in the program's theory of change) on an annual basis and submitting achieved results to the CIF TFC for review.[6]

MDBs are responsible for ensuring that project-level NPC indicators are identified, and M&R data are collected, aggregated, and submitted for each NPC project under implementation on an annual basis. Depending on the project type (i.e., public or private sector), NPC M&R data are likely to be collected at the project level by project task managers (i.e., task team leaders or TTLs) in coordination with a national executing agency or a private sector implementer. Each MDB's CIF coordination team should supervise the annual M&R process, but it may delegate certain tasks to project task teams as they see fit.

Recipient countries are responsible for national investment plan monitoring, evaluation, and learning activities with support and guidance from the CIF Secretariat. This includes identifying and reporting on select investment plan-level impact indicators; conducting multi-stakeholder review workshops or other tools at key moments in the investment plan; and coordinating with MDBs to ensure that project-level results data feed into the investment plan's results framework as required.

Finally, a range of **data producers** are most likely to generate and collect relevant data at the field level, such as line ministries, environmental authorities, local stakeholders, or project contractors. It is the role of MDBs and recipient countries to broker the data from where it is originally produced, collate it, and report it in a format that is suitable to the NPC M&R System and its parameters.

Country Investment Plan Monitoring and Reporting

Investment plan-level monitoring and reporting (IP-level M&R) is overseen by NPC recipient country focal points. It involves several distinct activities at key points within the investment plan lifecycle.

INVESTMENT PLAN DEVELOPMENT AND ENDORSEMENT

Investment plans are expected to include a full integrated results framework at the country level. This framework should be aligned with the program's overall approach to monitoring, evaluation, and learning as described in the NPC IRF and this toolkit, but it should be adapted to fit the scope of the proposed investment plan, the national statistical ecosystem, and other country context. It should include country-specific impacts and investment plan-level impact indicators, in addition to being generally aligned with the NPC IRF at lower levels of results. Data to inform baselines and targets can be sourced through national statistical systems, NDCs, NAPs, SDG monitoring platforms, international monitoring initiatives, MDB support for primary data collection, and other data sources. The data sources selected should be clearly cited and referenced as they appear throughout the investment plan.

Upon designing the investment plan, NPC recipient countries must also determine, in collaboration with CIF and MDB partners, which country-level impact indicators they will track throughout the course of their investment plan. These indicators might include national or sectoral statistics used as a proxy to illustrate progress related to the investment plan over time; important impact/outcome-level indicators related to objectives of the investment plan that are not well-captured via core indicators (from the project level); or information available in the country related to NDCs, NAPs, or other national environmental or climate change-related monitoring systems. Such indicators should be reflected within the investment plan's integrated results framework and identified for tracking following the investment plan's endorsement.

Investment plans should further describe the overall monitoring, evaluation, and learning approach the country plans to follow (e.g., multi-stakeholder review workshops, analytics, evaluations, etc.). Within the investment plan document itself, the integrated results framework should thus be accompanied by a short M&R implementation plan, plus considerations of any evaluation and/or learning protocol, as guided by CIF's Maximizing Transformational Impact toolkit. Gender and social inclusion considerations should also be integrated into the proposed monitoring, evaluation, and learning approach, such as gender-disaggregated indicators and specific gender indicators relevant to the investment plan based on the country-level gender and social inclusion diagnostic, proposed interventions, and gender-related outcomes expected.

If the NPC recipient country elects to conduct a diagnostic evaluation or other primary data collection to inform the investment plan and project design, baseline and other data from the diagnostics should directly feed into the investment plan-level integrated results framework and monitoring, evaluation, and learning plan proposed by the recipient country.

Recipient countries may also elect to implement an inception multi-stakeholder review mechanism (e.g., workshop) for the investment plan shortly before or after the initial projects have been approved by the respective MDB Boards. The objective of the review mechanism is to engage a broad constituency of stakeholders (government, implementers, MDBs, beneficiaries, civil society observers, women's organizations, Indigenous Peoples and local communities, private sector, etc.) involved with the investment plan to critically reflect and establish criteria for monitoring and evaluating the transformational objectives laid out in the investment plan.

ANNUAL INVESTMENT PLAN MONITORING AND REPORTING

On an annual basis (or as data are available), recipient countries should submit updates on the pre-identified investment plan-level country impact indicators to the CIF Secretariat, along with short narrative updates on any key progress, achievements, and challenges faced during the reporting year (see Section 3.2).

Reporting will take place on the CCH portal and is the responsibility of the NPC country focal point or delegated technical personnel on the NPC country focal point team. NPC recipient countries are expected to track three to five national or investment plan-level indicators identified at investment plan inception, in coordination with CIF and MDB partners. Although new results data may not be available for each investment plan-level indicator on an annual basis, recipient countries should report the latest available data annually and assess overall progress qualitatively.

Recipient country focal points are further encouraged to share nationally produced materials related to their NPC investment plan, such as videos, photos, blogs, and country progress reports. They should also coordinate with the MDBs implementing the NPC projects in their country to review project-level M&R and results data available to date.

Additional ways to share and learn from investment plan progress may become available in the form of South-South knowledge exchanges, targeted evaluation and learning activities, and other opportunities.

INVESTMENT PLAN REVIEW AT MID-TERM AND COMPLETION

As the implementation of a recipient country's investment plan advances, the country should, in coordination with MDBs, make use of a multi-stakeholder review mechanism at key inflection points in the investment plan timeline to assess and reflect on investment plan progress, challenges, and transformational objectives over time. This should be conducted around the mid-term of the investment plan (which can be determined by the recipient country, in coordination with MDB partners) and again as the investment plan reaches completion (when all or most projects in the NPC investment plan are fully implemented). This mechanism is critical to collate the country's investment plan progress across multiple NPC projects and to consider with a wide range of NPC stakeholders the catalytic effects on the landscape at scale.

Recipient countries are encouraged to make use of this mechanism on a more frequent basis should the demand and business case arise. The CIF Secretariat is available to support recipient countries and MDBs with this approach upon request.

Project-Level Monitoring and Reporting

MDBs work closely with recipient countries in the CIF business model and are responsible for designing and implementing project operations, including the project's core monitoring and reporting function. The NPC M&R System is designed to absorb the differing M&R protocols, indicator selection, results measurement, supervision, and completion procedures that govern MDBs' operations at the project level by collecting, harmonizing, and aggregating MDB reported results into key NPC portfolio results at the global level. Nonetheless, MDBs are still responsible for aligning their project results frameworks with dimensions of the NPC/CIF objectives, core indicators, and theory of change, as well as to anticipate the overall monitoring and reporting data needs of the NPC M&R System.

PROJECT DESIGN, APPRAISAL, AND APPROVAL

MDBs must ensure that all projects under consideration for NPC funding fully integrate the required NPC indicators into their project-level results framework. The most important aspect of this integration is **to ensure that all NPC core indicators are included** (although core indicators that are justifiably irrelevant to a given project's context may be excluded. This is determined at the MDB Board approval phase.) MDBs can match the definition of these indicators using their own terminology, if necessary. However, the correspondence of the MDB-defined indicator to the NPC core indicator should remain clear, and the measurement methodologies should remain compatible to enable the eventual aggregation of results reported across projects in the program.

In addition to incorporating the core indicators into project results frameworks, **MDBs must identify at least one co-benefit indicator per project** and include it within the project's results framework. Optional indicators may be included at the discretion of the MDBs, as well as project-specific indicators that the MDBs put forward in developing the project's full results framework through their project design and appraisal procedure (i.e., beyond the NPC-specific M&R requirements).

MDB Board approval triggers the formal requirement for NPC projects to:

a. **Identify all applicable core, co-benefit, project-specific, and optional indicators and report their expected results (i.e., targets)**
b. **Begin reporting achieved results to CIF annually during the reporting period**
c. **Share the full project results framework (as devised by the MDB) with CIF.[7]**

MDBs can take these actions during the first annual results reporting cycle that follows the project's approval (i.e., it does not need to occur at the specific moment of the project's MDB Board approval). CIF coordinates with MDB teams to ensure that all indicators are identified in alignment with the NPC M&R System and established within the CCH, where all results reporting for the program takes place.

ANNUAL MONITORING AND REPORTING

NPC results reporting follows an annual cycle from January 1 to December 31. MDBs must submit updates every spring (approximately March 15) on results achieved by the end of the reporting period (i.e., December 31 of the previous calendar year). **Actual results must be reported on all applicable core, co-benefit, optional, and project-specific indicators. Reporting must cover all NPC projects that have at least reached the MDB Board approval phase by the end of the reporting period.**

Over time, actual results—annual and cumulative—should continue to be reported as projects advance in their implementation. Each NPC project under implementation should also report on other relevant progress and achievements on an annual basis by submitting to the CIF Secretariat the most recently available progress reports or implementation status reports issued during the reporting period (as part of the MDBs' own project monitoring and supervision protocols).[8] All submissions should be made online through the CCH portal. MDB focal points for CIF and relevant project managers should be granted access to the CCH before the first results reporting period of the project(s).

MDBs should also endeavor to share information on results achieved with recipient country focal points and continue to engage in investment plan-level activities related to the country's NPC programmatic approach. Project-level results are expected to serve as the foundation for investment plan-level results management and related activities and should be made available to flow upward to the investment plan level and national level as appropriate.

PROJECT MID-TERM, RESTRUCTURING, AND COMPLETION

At project mid-term, MDBs are requested to share with CIF any mid-term review reports conducted through the MDBs' own policies and procedures.[9] Potential changes made during mid-term review or project restructuring that affect NPC projects' expected results, indicators, or implementation scope must be communicated to CIF, along with the justification and formal documentation of these changes. CIF only adjusts expected results and indicators within the CCH upon receipt of such formal documentation. The same policy shall apply to the monitoring and reporting of NPC projects that are restructured following MDB Board approval.

At project completion, NPC projects must report via the CCH the final results achieved on the relevant core indicators, co-benefit indicators, optional indicators, and project-specific indicators. MDBs should also share the project completion report generated through their respective MDB's protocol.[10] As multiple NPC projects reach completion; CIF may aggregate lessons learned across projects and analyze evidence garnered from the completion reports submitted.

2.3 Considerations for Quality at Entry

The following due diligence considerations at project inception can help facilitate the M&R process throughout an NPC project's lifecycle: baseline data, high-level analysis, data collection and disaggregation protocols, and knowledge and learning development.

Baseline Data

NPC core indicators and most other indicators measure "the contribution of NPC" toward a specific outcome or output. As a result, the baseline value is implicitly set to zero (0). However, in some cases non-zero baseline values need to be calculated as intermediary steps, such as with GHG emissions levels prior to a nature-based solution (NBS) intervention or the number of jobs created prior to NPC investments. MDBs should consider baseline data needs, relevant studies, and analyses that can feed not only into project design, but also into investment plan M&R needs and future monitoring and reporting. Likewise, qualitative reporting, such as aspects related to policy ecosystems, quality of life improvements for local stakeholders, or sustainable supply chains, requires adequate baseline descriptions to describe results achieved during and after project implementation.

Whole-of-Landscape Analyses

NPC investments can be deployed in multiple places within a landscape or ecosystem. The expected interplay between nature-based solutions or related investments and broader ecological systems suggests the need for a "whole of landscape" analysis during investment plan development or project baseline, which can be used as a reference point for a full range of specific outputs and outcomes that are to be monitored over the course of investment plan or project implementation. NPC investment plans or projects are strongly encouraged to undertake—or draw from existing—land-use diagnostics and landscape-level analyses as feasible. This will enable a more comprehensive understanding of the impact of nature-based solutions or related investments on ecological systems, which will ultimately help strengthen the analysis of NPC's impact on questions related to land-use change, livelihoods and ecosystem services, supply and value chain dynamics, biodiversity, and GHG emissions within specific ecological contexts, markets, countries, and administrative areas.

Data Collection Protocol

MDBs are encouraged to devise a full data collection protocol for their projects at the time of approval and to budget accordingly. This should include anticipated data sources, timelines, and collection frequency, in addition to designated personnel for data collection and aggregation among both project teams and MDBs' CIF coordinators. Projects are encouraged to consider the data needs they face in completing robust completion reports and end-line analyses in line with NPC objectives.

Disaggregation by Gender, Adaptation vs. Mitigation, and Other Factors

Whenever possible, all indicators should be disaggregated to improve the NPC M&R System's analytical potential by sub-population or sub-category. For example, NPC Core Indicator 4 should report the policies by type (i.e., policies, regulations, codes, standards)[11] and NPC Core Indicator 7 should report the number of jobs created as either direct or indirect and by gender, as well as aspiring to report jobs created by the type of job, and by those created for members of vulnerable groups. Planning for data disaggregation should occur from inception. Specific guidelines on disaggregation are included for each indicator in this toolkit and are established in the structure of the CCH's online reporting pages for NPC.

At the very minimum, all beneficiary-related indicators (e.g., NPC Core Indicators 6 and 7) should be fully gender-disaggregated to allow for the analysis of gender gaps in key program outcome areas over the course of implementation (CIF 2022b, Section 6, Para 33, Point G). Possible disaggregation by vulnerable groups might include Indigenous Peoples and local communities, ethnic or racial minorities, youth or elderly persons, persons with disabilities, and lower-income groups.

Another notable objective of NPC is to advance both mitigation and adaptation simultaneously through support for nature-based solutions and other sustainable land and ecosystem management. In practice, some NPC interventions may have a stronger adaptation focus, some a mitigation focus, others a dual focus, and potentially other results with no direct link to either issue. The NPC M&R System carries forward this important disaggregation for all relevant indicators. For example, all reporting on the area of land covered (NPC Core Indicator 2) must indicate whether the focus is adaptation or mitigation. Reporting on the number of people supported with livelihood benefits (NPC Core Indicator 6) should specify whether the benefits are adaptation-related, as a result of mitigation activities, or another combination thereof. This approach is designed to assess NPC's explicit objectives of tackling adaptation and mitigation together by directly tracking the extent to which nature-based solutions and related interventions have bridged the two objectives in practice.

Opportunities for Learning and Knowledge Development

NPC projects are encouraged to consider learning and knowledge development from the onset and to proactively engage with the CIF Secretariat on areas of potential interest. The integration of research and learning questions into project design and M&R systems can further strengthen the potential of NPC to generate knowledge and evidence beyond the core indicators in a way that is beneficial to funded operations throughout their execution, as well as the field of sustainable land and natural resource management more generally.

3. INDICATORS AND DEFINITIONS

The NPC M&R System comprises **six categories of indicators**, from the impact level of the NPC IRF (highest level) down to output level (lowest level). Each category is designed to cover a complementary aspect of the program's M&R, implicating different NPC stakeholders, data collectors, reporters, analytical potential, and results audience.

CIF impact indicators (Category 1) are the highest level of indicators in the program. They relate to global results areas in CIF that are applicable to and aggregable across both NPC and other CIF programming areas. CIF is responsible for reporting this information, which is fed from available data generated at different levels of the NPC M&R System and other CIF programs' M&R systems. **The NPC country impact indicators (Category 2)** are reported at the national, territorial, or investment plan level by each recipient country.

> **All NPC core indicators (Category 3) are mandatory to report when applicable and remain constant across NPC projects. The core indicators form the foundation of the NPC M&R System and must be directly integrated into the project-level results framework devised by MDBs for every NPC project approved (unless justifiably inapplicable to a project's design). All NPC projects must also report at least one co-benefit indicator (Category 4) selected from the options suggested in this toolkit or another co-benefit identified by the MDB.**

Optional indicators (Category 5) are similar in nature to the core indicators but are not required to be reported, as they typically vary between different types of projects. CIF will track these indicators if and when they do occur in MDBs' project-level results frameworks.

Project-specific indicators (Category 6) refer to the remaining indicators that MDBs independently elect to include within NPC individual projects' results frameworks. While these indicators are likely to vary significantly across NPC projects, CIF draws from the information reported from the full project results frameworks to identify areas for further aggregation and other avenues to better capture the program's total achieved results.

Table 2 provides a complete list of indicators used in NPC, followed by detailed definitions and measurement methodologies for the indicators and overall guidance on reporting processes. **The most comprehensive guidance centers on the core indicators and co-benefit indicators (Categories 3 and 4), since these two categories constitute required monitoring and reporting for all NPC projects.** However, additional descriptions and examples are also provided for the remaining indicator categories to explain how the full NPC M&R System is intended to function.

TABLE 2. List of Indicators for NPC

INDICATORS	APPROACH
Category 1: CIF Impact Indicators (CIF Global)	
CIF 1. Mitigation: GHG emissions reduced or avoided (Mt CO_2 eq.) **CIF 2. Adaptation:** Strengthened climate resilience of land (ha), people (#), and physical assets (units) through a CIF-supported adaptation mechanism **CIF 3. Beneficiaries:** Number of women and men benefiting from CIF investments (#) **CIF 4. Co-Finance:** Volume of co-finance leveraged (USD)	Aggregated by **CIF Secretariat** based on the NPC core indicators and project-specific indicators that feed into them
Category 2: NPC Country Impact Indicators (Country Investment Plans)	
At least 3-5 investment plan-related indicators per country; Selected in consultation with MDBs and CIF based on national M&E ecosystems/data availability; Varies per country investment plan	Identified and reported by **NPC recipient countries**
Category 3: NPC Core Indicators (Projects)	
NPC 1 (→ CIF 1). Mitigation: GHG emissions reduced or avoided or enhancement of carbon stocks (mt CO_2 eq.) **NPC 2. Land Area:** Area of land or other physical environments covered by climate-responsive natural resource management practices (ha) **NPC 3. Sustainable Supply Chains:** Number of firms, enterprises, associations, or community groups that have adopted a sustainable supply or value chain approach (#) **NPC 4. Policies:** Number of policies, regulations, codes, or standards related to climate-responsive land or natural resource management that have been amended or adopted (#) **NPC 5 (→ CIF 4). Co-Finance:** Volume of co-finance leveraged (USD) **NPC 6. Livelihoods:** Number of people receiving livelihood benefits (#) **NPC 7. Jobs:** Number of jobs created (#) **NPC 8. Private Sector Investments:** Number (#) and value (USD) of CIF-supported private sector investments in sustainable land or natural resource management **NPC 9. Innovation:** Number of innovative businesses, entrepreneurs, technologies, and other ventures demonstrating a strengthened climate-responsive business model (#)	**Must be reported by MDBs** for all NPC projects when relevant to the project's objectives; directly integrated into project-level results frameworks

Category 4: NPC Co-Benefits (Examples for Projects)	
Co-Benefit 1. Green Growth: Economic growth of targeted sectors or industries within the landscape or ecosystem **Co-Benefit 2. Just Transition:** Social inclusion and distributional impacts **Co-Benefit 3. Governance, Policy, and Planning:** Effective governance mechanisms with coherence across sectors **Co-Benefit 4. Land Tenure, Rights, and Access** **Co-Benefit 5. Biodiversity** **Other Co-Benefits** proposed by MDBs for NPC projects	**Must be reported by MDBs** (at least one indicator); varies per NPC project
Category 5: Optional Indicators (Projects)	
OUTCOME LEVEL: **NPC Optional 1:** Value of ecosystem services generated or protected in response to climate change (USD) **NPC Optional 2:** Number of climate-responsive market linkages improved or expanded (#) **NPC Optional 3:** Number of people from targeted institutions and communities trained in climate-responsive measures (women and men) (#) **NPC Optional 4:** Number of sub-national budgeting processes supported that have integrated climate/land-use considerations (#) **NPC Optional 5:** Value of climate-responsive subsidy reforms implemented (USD) **NPC Optional 6:** Increase in annual mean household income/consumption **NPC Optional 7:** Reduction in moderate or severe food insecurity **NPC Optional 8:** Number of innovative products, services, technologies, and processes that have entered a new market context (#) **NPC Optional 10:** Number (#) and type of solutions deployed in forests and other ecosystems **NPC Optional 11:** Number (#) and type of solutions deployed in coastal systems **NPC Optional 12:** Number of policies, regulations, codes, standards, or community-led plans related to climate-responsive land and ecosystem management that have been supported (#) **NPC Optional 13:** Number of private-sector and/or community-based business models or financing modalities piloted (#) **NPC Optional 14:** Number of people provided with direct access to finance for project development (#) **OUTPUT LEVEL:** **NPC Optional 9:** Number (#) and type of solutions deployed in agriculture and food systems	Can be adopted by **MDBs** as they see fit; **CIF Secretariat** aggregates information as available

Category 6: Project-Specific Indicators (Projects)	
Independently selected by MDBs and organically included in the projects' individual results frameworks; Varies per NPC project	**CIF Secretariat** aggregates information as available

3.1 CIF Impact Indicators (Category 1)

CIF impact indicators are monitored and reported at the CIF level, based on available results data provided by MDBs on NPC projects and a pre-determined alignment of which program core indicators align with CIF impact indicators. For example, reporting on NPC Core Indicator 1 (Mitigation) feeds into CIF Impact Indicator 1 (Mitigation). CIF impact indicators aim to measure the contributions of all CIF programs toward four key impact areas within CIF's overall mission: mitigation, adaptation, climate or development benefits for people, and climate financing.

These indicators are the direct reporting responsibility of the CIF Secretariat, which draws from data reported by MDBs or NPC recipient countries.

Table 3 presents a short overview of the CIF impact indicators with a focus on how they align with the NPC M&R System.

TABLE 3. CIF Impact Indicators in Relation to NPC M&R System

INDICATOR	UNIT OF MEASUREMENT	DISAGGREGATION	NPC INPUTS	EXAMPLES OF OTHER CIF INPUTS	CONSIDERATIONS
CIF Impact Indicator 1: Mitigation					
Greenhouse gas (GHG) emissions reduced or avoided	Metric tons of CO_2 eq. per year (annual) Metric tons of CO_2 eq. (cumulative) Metric tons of CO_2 eq. per year (lifetime)	None at present Direct (Scope 1) vs. indirect (Scopes 2 and 3) as feasible	NPC Core Indicator 1	CTF Core Indicator 1 SREP Co-Benefit Indicator 3 FIP Reporting Theme 1.1a REI Core Indicator 1 ACT Core Indicator 5	Flexibility needed for different methodologies across program types (e.g., energy sector vs. forestry and land use sector), sectors, projects, and MDBs, with appropriate caveats cited
CIF Impact Indicator 2: Adaptation					
Strengthened climate resilience of land (ha), people (#), and physical assets (units) through a CIF-supported adaptation mechanism	Hectares People (women/men) Number of physical assets	By Gender	NPC Core Indicator 2 (adaptation only) NPC Core Indicator 6 (adaptation only)	PPCR Core Indicator 5 PPCR MDB indicators on sustainable land management, and climate-resilient infrastructure Potential contributions: FIP Reporting Themes 1.1b and 1.2, REI Core Indicator 4 (physical assets), ACT Core Indicator 7, optional/project-specific indicators deemed relevant to adaptation, and other CIF programs	Capturing adaptation results requires proactive tagging of the adaptation context of specific projects/interventions Inputs to this indicator are likely to be highly decentralized

CIF Impact Indicator 3: Beneficiaries					
Number of women and men benefiting from CIF investments	People (women/ men)	By Gender Direct vs. indirect, as feasible	NPC Core Indicator 6	PPCR Core Indicator 5 PPCR MDB indicator on persons trained FIP Reporting Theme 1.2 SREP Core Indicator 2 CTF Core Indicator 4 ACT Core Indicators 3, 4 REI Core Indicator 7 Potential contributions: SREP co-benefit indicators, optional indicators from other CIF programs	People counted under CIF 2 will also be counted under CIF 3, but the reverse is not necessarily true (i.e., adaptation beneficiaries are a subset of all development beneficiaries) Indirect beneficiaries of NPC may also be considered
CIF Impact Indicator 4: Co-Finance					
Volume of co-finance leveraged	USD	Source of co-financing Mitigation vs. adaptation (or both or other)	NPC Core Indicator 5	CTF Core Indicator 2 SREP Core Indicator 3 REI Core Indicator 6 ACT Core Indicator 6 PPCR and FIP completed disbursement records This indicator exists in all newer CIF programming areas	Methodologies are likely to differ across MDBs NPC is expected to primarily contribute to leverage finance for mitigation and adaptation projects

3.2 NPC Country Impact Indicators (Category 2)

NPC country impact indicators are monitored and reported at the **national, territorial, and/or investment plan level**, based on national, landscape-level, and sectoral M&E systems, MRV systems, NDCs or NAPs, international monitoring initiatives (e.g., World Bank Living Standards Measurement Study), or other available data sources. They are intended to provide a high-level view of each country's or landscape's progress related to nature-based climate solutions, as relevant to the scope of its investment plan. They typically cover proxy results of NPC investment plans (i.e., NPC projects contribute to these country impacts, but the country impacts are not *attributable* to NPC alone).

The country impact indicators approach is critical in the context of NPC, since many investments are expected to demonstrate or catalyze potential social, economic, or environmental effects beyond the geographic and/or temporal scope of the discrete projects under implementation. For example, payments for landscape conservation and rehabilitation might aim to improve land health, increase household incomes, and reduce food insecurity among those receiving payments. Yet, a country impact indicator like the deforestation rate or prevalence of food insecurity in climate-vulnerable areas may not be easily captured via a project-specific M&R approach.

In addition, the country impact indicator approach provides a direct mechanism for country focal points to be involved in the monitoring and reporting of results from NPC (rather than attributing all roles and responsibilities to MDBs). This builds on the good M&R practices, experience, and lessons learned from earlier CIF programs and strengthens the programmatic approach throughout the implementation phase of investment plans. It also avoids developing a new set of program-level indicators that might not be well-suited to the diverse country contexts involved in the program. Instead, countries have flexibility to draw from their existing national, landscape-level, and sectoral M&E systems to identify what should be tracked, or to rely on well-established third-party monitoring, data, and research initiatives relevant to the scope of NPC, such as the World Bank's Living Standards Measurement Study or recognized climate vulnerability indices. Increasingly, countries should also integrate data systems from their NDCs, NAPs, and other climate change policy instruments with investments like those in NPC.

Approximately three to five country impact indicators are to be identified during the investment plan development and endorsement process through scoping discussions and agreement reached between the NPC country focal point team, the CIF Secretariat, and MDBs. This can take place during the joint mission for investment plan development, during the drafting stage of the investment plan, or closer to the time of endorsement.

These indicators are the reporting responsibility of **NPC recipient countries** on an annual basis using the CCH system. Additional qualitative narrative reporting related to the selected country impacts and IP implementation progress is also required. The annual reporting rhythm of country impact M&R should be complemented with more comprehensive multistakeholder M&R review mechanisms at key inflection points in the investment plan's implementation timeline (i.e., beginning, mid-term, and late-stage/close-out).

Examples of Possible NPC Country Impact Indicators Reported at the National, Territorial, or IP Level:

- Rates of deforestation (ha per year)
- Rates of land degradation (ha per year)
- Rates of coastal erosion

- Annual GHG emissions (mt CO_2 eq.)[12]
- Distribution of land ownership (ha per stakeholder group)
- Measurable evidence of strengthened climate resilience (variable units)
- Measurable replication or uptake of nature-based solutions (variable units)
- Biodiversity increased, protected, or restored
- Prevalence of moderate and severe food insecurity (%)
- Agricultural land that has become more climate-responsive (ha or %)
- Land health and environmental degradation metrics (e.g., Soil carbon levels)
- NDC-related indicators
- Private sector development metrics
- Social and economic metrics
- Poverty rate (%)
- Other country-specific impacts expected from NPC investment plans

Potential Data Sources: Pre-existing national, landscape-level, or sectoral M&E systems; MRV systems; landscape-level studies (MDB-supported, government-led, or third party); household surveys or other primary data collection; global data aggregators.

3.3 NPC Core Indicators (Category 3)

NPC core indicators are monitored and reported at the **project level**, based on MDBs' own M&E systems. The core indicators must be integrated into project-level results frameworks for all NPC-funded projects and can only be omitted if they are inapplicable to the scope of a given project. NPC projects must identify which of the nine NPC core indicators apply during their CIF TFC approval submission and report indicative targets. The identification is to be finalized—along with the final target values—at the MDB Board approval phase. The core indicators that are relevant to each NPC project are then entered into the CCH, including the target values, the necessary disaggregation, and the disaggregated target values. This set-up is the basis for all future results reporting required of that project.

These indicators are the reporting responsibility of **MDBs** on an annual basis.

The following section describes in detail each of the nine NPC core indicators. A summary box is included at the beginning of each indicator sub-section to highlight the headline M&R issues per indicator. Each indicator sub-section then provides: an **overview** and rationale for how the indicator captures NPC program objectives; **definitions** of the key terminology undergirding the full indicator; **methodological guidance** on what is needed for establishing a baseline, setting a target, and measuring achieved results; an explanation of the required and suggested **disaggregation** for the indicator; **other considerations**[13] specific to each indicator; the **data sources** that projects can expect to draw from for this indicator; and a linked list of external **references** used and as a potential resource for NPC M&R stakeholders.

NPC 1: Mitigation

NPC Core Indicator 1: Greenhouse gas (GHG) emissions reduced or avoided, or enhancement of carbon stocks (mt CO_2 eq.)

Unit of Measurement: Metric tons of CO_2 eq. (cumulative)

Disaggregation: Direct vs. Indirect; GHG Scope (optional); Reduced or Avoided Emissions vs. Carbon Sequestration (optional)

Reporting Scope and Frequency: Reported annually as a cumulative achieved value against both a cumulative project target and a lifetime target[14]

Alignment with CIF-Level Indicators: Feeds into CIF Impact Indicator 1 (Mitigation) and corollary to ACT, REI, CTF, SREP, and FIP indicators

Overview:

NPC Core Indicator 1 measures the net change in greenhouse gas (GHG) emissions reduced or avoided, or the enhancement of carbon stocks due to NPC interventions over the project implementation period, and if feasible, the natural lifetime of the investment.

The mitigation of GHG emissions is a fundamental objective of NPC. It is expected to be achieved through a broad range of nature-based solutions (NBS) and related interventions in different landscapes or ecosystems, such as forests, agricultural fields, and marine and coastal areas. NPC projects' net effects on GHG emissions should be reported annually[15] in terms of **cumulative metric tons of carbon dioxide equivalent (mt CO_2 eq.)** against separate targets for both the project implementation period and the cumulative lifetime GHG mitigation of the NPC-supported natural assets. Over time, these metrics allow NPC to track how much the total level of GHG emissions changes due to the program.

Definitions:

Greenhouse gases (GHG) refer to gases in the earth's atmosphere that trap or release heat and contribute to maintaining an average temperature of the earth's surface. Three main GHGs (out of the six recognized ones) are most likely to relate to NPC interventions: carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O) (WRI and WBCSD 2014). For reporting purposes, all GHGs are converted to their equivalent in CO_2.

Emissions refer to the release of GHGs into the atmosphere, typically due to anthropogenic, or human-led activities, over a defined period of time. For the purposes of this indicator, emissions are measured on a cumulative basis (i.e., "cumulative emissions" and "lifetime emissions") although they are reported on an annual basis.

Reduced emissions refers to the process of diminishing or displacing existing emissions due to a new NPC project intervention. The reduction is compared with the current GHG emissions profile of the targeted intervention area, which is defined as the baseline scenario. In NPC, for example, a targeted intervention could be the decarbonization of agricultural supply chains, improved techniques in climate-smart agriculture (CSA) or aquaculture, or improved sustainable forest management.

Avoided emissions refers to the process of rendering obsolete future emissions that would otherwise occur in a counterfactual scenario wherein the NPC intervention does not take place.[16] For example, emissions could be avoided by stopping the conversion of mangroves, reducing forest clearing, or limiting timber harvest levels.

The enhancement of carbon stocks refers to the process of increasing the quantity of carbon that is stored in an ecosystem, such as land, coasts, soil, and other organic material. This process typically occurs through photosynthesis, whereby plants (such as trees, peat, seagrasses) absorb additional CO_2 from the greenhouse gases already trapped in the atmosphere, naturally reducing the amount of CO_2 in the atmosphere. For NPC, this could apply to interventions such as reforestation and afforestation, protection of coastal ecosystems, or soil carbon loss mitigation.

Methodological Guidance:

CIF recognizes that MDBs have their own methodologies in place for estimating, monitoring, and reporting on project-level GHG emissions. **MDBs should specify the methodology they have selected to use for each NPC project when reporting to CIF.**

NPC projects might choose to utilize the Ex-Ante Carbon-Balance Tool (EX-ACT) (Food and Agriculture Organization of the United Nations (FAO) 2022), which is commonly applied in NPC-relevant sectors. Agriculture, Forestry, and Other Land Use (AFOLU) approaches outlined in the "Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories" (IPCC 2019); the "GHG Protocol for Project Accounting" (World Resources Institute (WRI); the World Business Council for Sustainable Development (WBCSD) 2005); the "IFI Guidelines for a Harmonized Approach to Greenhouse Gas Accounting" (UNFCCC 2021); and other international standards can also be used as guidance. For instance, the IFI technical working group (TWG), which was established in 2012 and comprises approximately 25 organizations, including UNFCCC, GCF, and GEF, periodically releases new methodologies.[17]

GHG accounting for AFOLU typically requires using a pool of methodologies to assess nature-based accounting carbon stock and the estimated emissions from project-supported goods or services with defined boundaries. NPC projects are encouraged to estimate net effects on GHG emissions in an integrated manner, including all carbon pools affected by NPC project interventions. For instance, some interventions might contribute to different mitigation processes (e.g., reduced or avoided emissions; sequestration; enhanced carbon stocks) simultaneously. This should be taken into account when calculating the final balance (i.e., the carbon balance) and reporting a unique net GHG target and achieved value over time.

The following steps provide general guidance on the approach that projects can expect to take at different phases of the project cycle.

Baseline:[18] First, each project should identify its assessment boundary, which is the physical delineation or geographical area that includes significant emissions sources and emissions sources that will be significantly affected by the planned project. This might be an entire region, forest, landscape, watershed, or another well-defined area where NPC is poised to intervene.

If useful, targets for NPC Core Indicator 2 (Land area) can be calculated before establishing expected results for NPC Core Indicator 1, given that these inputs may help inform GHG accounting methodologies.

Expected Results: NPC projects should establish both a *cumulative target* of emissions expected to be reduced or avoided by the project completion date, and a *lifetime target* of emissions expected to be reduced or avoided over the full lifespan[19] of NPC-supported natural assets beyond the project's financial closure date. These target values should be established and reported at the MDB Board approval stage (see Section 5). While specific methodologies applied to NPC projects may vary, in general, the following steps should be undertaken:

1. Determine the reference scenario (also known as the "baseline emissions" or "business-as-usual" scenario) based on the emissions profile of the assessment area and a reasonable expectation of what would happen in the absence of an NPC project over the same two target periods (i.e., by project completion and lifetime of expected results).
2. Identify which activities or natural assets contributing to the assessment area's emissions profile are targeted by an NPC intervention.
3. Estimate the change in activity-level data or natural assets resulting from the NPC intervention(s).
4. Estimate or quantify activity emissions and carbon stocks, using direct measurements, scientific literature, carbon models, or a combination of these.
5. For greenhouse gases other than CO_2, multiply the value by the Global Warming Potential (GWP) coefficient to convert to CO_2 eq. (For CO_2, the coefficient = 1).
6. For lifetime estimates, multiply the annualized net reduction or avoidance of GHG emissions achieved at project completion by the expected lifetime of the natural asset(s).

The following formula can be used to estimate the GHG emissions:

GHG emissions = Activity data x emissions factor x GWP coefficient (per unit of time)

For reporting purposes, all assumptions on reference scenarios, changes in activity levels, and emissions factors need to be clearly explained with the methodology and data sources cited during the first year of reporting in the CCH. Any subsequent changes should be updated, and the CIF Secretariat should be notified of the changes and their rationale.

Achieved Results: Results are reported annually, covering a period from January 1 to December 31 of the preceding year. They should reflect the actual estimated reduction or avoidance of GHG emissions, or enhancement of carbon stocks, due to NPC interventions, and should not be reported as ex ante projections. Projects must report results (i.e., metric tons reduced or avoided) on an annual basis, even if achieved results data only become available later in the project implementation period, such as at mid-term or completion. In cases where results data are not yet available, results can be reported as zero (0) until the data become available.

Some projects might continue to deliver additional results for a significant period after the project's financial closure date. If MDBs do not intend to monitor achieved results beyond project completion, any additional achieved results can be reported during the final year of implementation. This can be done through extrapolation of the annualized emissions profile of the interventions in the assessment area at project completion date until the lifetime target date, or the application of another agreed-up methodology. MDBs should specify the methodology they plan to use for reporting achieved results against the lifetime target.[20]

Disaggregation:

Monitoring and reporting for this indicator must be disaggregated by: (i) Direct vs. Indirect, and if feasible, by (ii) Scope of Emissions, and (iii) Reduced or Avoided Emissions vs. Carbon Sequestration.

Projects must determine their disaggregation approach upon MDB Board approval. The approach is established in the CCH reporting platform during the first year of reporting and maintained throughout the lifetime of each project.[21]

Direct vs. Indirect Emissions: All projects are required to identify at project approval whether the GHG emissions expected to be reduced or avoided due to NPC interventions are direct or indirect in nature. The terms "direct" and "indirect" in this context refer to a theory-based approach to determining causality and the proximity of effects from NPC interventions. This is distinct from (but sometimes linked to) the notions of direct or indirect cited in the GHG emissions scopes, which relate to direct control over assets by an investee and associated supply or value chains. Because NPC projects are expected to adopt an integrated approach to investing in nature and ecosystems, MDBs have significant discretion to determine whether emissions should be categorized as direct or indirect within the context of a specific NPC project.

- One example of direct emissions mitigation could be farmers replacing high-emitting fertilizers, manure, or crop residue management supplements (i.e., nitrous oxide (N_2O)) with alternative, greener supplements, or no supplements.
- One example of indirect emissions mitigation could be when policy, technical assistance, or enabling environment interventions supported through NPC indirectly lead to reduced or avoided emissions in a targeted area.

Scope of Emissions (optional): International standards for GHG accounting increasingly rely on differentiating scopes of emissions, as defined in the GHG Protocol (WRI and WBCSD 2005). In general, the scope of emissions refers to a tiered set of boundaries for direct and indirect activities that produce or mitigate GHG emissions, as a result of an intervention. Based on guidance from the IFI Technical Working Group on GHG Accounting (UNFCCC 2021, 5), GHG accounting scopes are defined as follows:

- Scope 1: Direct GHG emissions from sources that are owned or controlled by the investee and affected by the investment project

    Ex. 1: Emissions from mechanical sources used in the production of agricultural products
    Ex. 2: Emissions from non-mechanical sources, such as enteric fermentation and soil N_2O emissions
    Ex. 3: Emissions from land use change affecting vegetation cover

- Scope 2: Indirect GHG emissions from sources not owned or controlled by the investee but directly utilized by the investment project (e.g., emissions associated with electricity, heating, or cooling purchased for the investee's activities)

    Ex. 1: Operationalization of machines and equipment
    Ex. 2: Refrigeration of livestock food for agriculture

- Scope 3: Other indirect GHG emissions from sources that are upstream or downstream of a value chain and not owned or controlled by the investee or private company

    Ex. 1: Agrichemicals
    Ex. 2: Purchase of feed

Monitoring and reporting for NPC Core Indicator 1 primarily covers emissions from Scope 1, with additional reporting on Scope 2 and 3 if data are available. The GHG Protocol Agriculture Guidance provides a detailed description of GHG accounting by scope (WRI and WBCSD 2014).

Reduced or Avoided Emissions vs. Carbon Sequestration: If feasible, NPC projects should disaggregate emissions based on the mitigation process(es) of the supported activities. NPC-supported mitigation activities can do so either by reducing or avoiding emissions, by increasing carbon stocks through removals, or by affecting both processes.

Other Considerations:

To the extent that MDBs' methodologies allow, reporting on NPC Core Indicator 1 should consider the potential for, and monitoring of, carbon leakages. Carbon leakages can occur when GHG emissions from activities like deforestation are geographically displaced, rather than avoided altogether.

Different types of greenhouse gases should be considered when their contribution to overall levels of CO_2 eq. emissions is expected to be significant.

Data Sources:

MRV systems, satellite data or remote sensing, country agricultural inventories, Geographic Information Systems (GIS), EX-ACT, MDBs' GHG accounting tools, field surveys, project-level activity data and emissions factors

References:

See References.

NPC 2: Land Area

NPC Core Indicator 2: Area of land or other physical environments covered by climate-responsive natural resource management practices

Unit of Measurement: Hectares (ha)

Disaggregation: Mitigation vs. Adaptation vs. Both; Type of Landscape or Ecosystem; Direct vs. Indirect

Reporting Scope and Frequency: Reported annually as a cumulative achieved value against a cumulative target

Alignment with CIF-Level Indicators: Feeds into CIF Impact Indicator 2 (Adaptation) if disaggregated as adaptation intervention; Corollary to FIP 1.1b, PPCR MDB indicator, and ACT Core Indicator 10

Overview:

NPC Core Indicator 2 tracks the **total area of land and other physical environments (ha)** in which NPC has introduced, implemented, or improved at least one climate-responsive (i.e., sustainable) natural resource management practice.[22] This is intended to capture the geographic extent of nature-based solutions and related NPC interventions implemented in both terrestrial and marine ecosystems, such as forests, grasslands, deserts, rural agricultural areas, coastal zones, lakes, rivers, and wetlands. Nature-based solutions are a fundamental component of NPC's design, with the potential to provide over one-third of the cost-effective climate change mitigation needed to stabilize warming to below 2°C by 2030, as well as to help reduce the consequences of physical climate risks (Grissom et al. 2017).[23]

Although all natural resource management interventions supported through NPC are expected to be sustainable, only mitigation- and adaptation-qualifying activities are reflected under NPC Core Indicator 2. All areas covered must be classified as either mitigation, adaptation, or both at the time of reporting.

Definitions:

Area of land or other physical environments refers to the total extent of land, marine areas, or any other ecosystems (in hectares) covered under the geographic scope of an NPC project intervention.

Climate-responsive describes an entity or activity that specifically addresses one or more aspects of climate action relevant to mitigation or adaptation objectives. For example, reforestation would automatically qualify as climate-responsive due to the direct linkage of increased forest stock with climate change mitigation objectives (i.e., carbon capture). Similarly, the introduction of a more drought-resistant crop variety to an at-risk agricultural zone would qualify as climate-responsive due to its direct linkage with climate change adaptation objectives.

Natural resource management practices refer to activities that support the sustainable use and stewardship of natural capital and naturally occurring materials, such as water, soil, forests, plants, animals, and minerals, to provide social, economic, or environmental benefits.

Methodological Guidance:

Baseline: During project design, the geographic assessment boundary must be identified and clearly defined by the MDB. Project teams should identify the type of ecosystem(s) covered and assess the current state of natural resource management practices in effect throughout the assessment area. If adaptation- or mitigation-qualifying activities are not currently employed or are very limited, the baseline should be considered as zero (0). However,

when some adaptation- or mitigation-qualifying activities are already employed in some areas, NPC projects should discount these areas from the total intervention zone when setting targets (unless NPC interventions aim to further improve the deployment or effectiveness of climate-responsive natural resource management practices in this area).

Expected Results: The target value for the land area covered should be determined using an MDB-defined methodology for estimating land contouring and the total geographic reach of the planned nature-based solutions (or other NPC interventions). For example, projects could utilize remote sensing technology, field measurements, MRV tools, or a combination thereof. Physical climate risk assessments might also be used to estimate areas with avoided losses or damages. MDBs should indicate the methodology used per project during the first year of reporting.

Areas covered by more than one climate-responsive natural resource management practice should be disaggregated by qualifying activity but should not be double-counted. Differing measurement units should be converted to hectares and reported as such in the CCH.

Achieved Results: Results are reported annually, covering a period from January 1 to December 31 of the preceding year. The area covered should only be considered as "achieved" upon completion of the planned natural resource management interventions of the NPC project, many of which can only materialize toward the end of a project. Land area should not be reported as "achieved" until the activity has been fully completed in the designated area.

Disaggregation:

Monitoring and reporting for this indicator must be disaggregated in three ways: (i) Mitigation vs. Adaptation vs. Both, (ii) Type of Landscape or Ecosystem, and (iii) Direct vs. Indirect.

Mitigation-qualifying areas refer to those in which NPC-supported natural resource management activities lead to reduced or avoided GHG emissions, or enhanced carbon sequestration. For example, qualifying activities include reforestation, many types of ecosystem restoration, afforestation, REDD+ (i.e., reduced deforestation and forest degradation),[24] and agroforestry.

Adaptation qualifying areas refer to those in which NPC-supported natural resource management activities directly reduce climate risks or lead to the strengthened climate resilience of land, people, or physical assets. For example, the use of nature-based solutions to protect coastal areas from sea-level rise or improving land health through climate-smart agriculture would both qualify.

Areas that qualify as both refer to those in which NPC-supported natural resource management activities are directly linked to both mitigation and adaptation benefits. One example is a "payment for environmental services" scheme that simultaneously enhances carbon stock and provides workers with increased resilience through income diversification.

Type of landscape/ecosystem refers to the various land-based physical environments in which NPC interventions are expected to take place. These include:

- Terrestrial forests
- Terrestrial non-forests (e.g., rural agricultural areas, grasslands, deserts, etc.)
- Coastal or marine areas (e.g., coastal floodplains, mangroves, wetlands, reefs, etc.)

- Freshwater areas (e.g., inland lakes and rivers)
- Urban/peri-urban areas (e.g., cities, suburbs, urban-rural transitional zones, etc.)[25]

Direct coverage refers to physical activities executed through NPC interventions, such as afforestation, reforestation, climate-smart agriculture, or the physical protection of land areas from floods, sea-level rise, and storm surges.

Indirect coverage refers primarily to non-physical NPC interventions with a defined geographic area and a well-articulated climate link, such as land tenure reforms, registration of protected lands, support for cadaster systems, land use management plans, and more. MDBs may also classify other types of geographic interventions from NPC projects as "indirect" if they deem the causal link or intensity of the intervention vis-à-vis a given result to be more indirect than direct in nature.

Other Considerations:

NPC projects are encouraged to consider complementarities between NPC Core Indicator 2 results and related co-benefit or optional indicators (e.g., biodiversity, ecosystem services) that would be useful to select in parallel when reporting. For instance, NPC Core Indicator 2 primarily measures the reach of physical interventions, which can be reported as achieved once an intervention has been delivered, whereas other project objectives related to the same interventions, such as restoration of biodiversity and enhanced ecosystem services, may take longer to occur.

Box 2 lists information on one optional indicator closely related to NPC Core Indicator 2. MDBs are encouraged to complement their reporting on NPC Core Indicator 2 with this optional indicator, if feasible.

Data Sources:

Field surveys, MRV systems, satellite data/remote sensing, country agricultural inventories, Geographic Information Systems (GIS), and project-level M&E systems

References:

See References.

BOX 2. Optional NPC Indicator Related to NPC Core Indicator 2

- **Value of ecosystem services generated or protected in response to climate change (USD)**

This indicator is intended to estimate the value of all, or targeted, ecosystem services generated or protected as a result of nature-based solutions or other NPC interventions with a well-defined climate link. It typically requires a robust, non-zero baseline estimation and verification methodology to enable reporting.

NPC 3: Sustainable Supply Chains

NPC Core Indicator 3: Number of firms, enterprises, associations, or community groups that have adopted a sustainable supply or value chain approach

Unit of Measurement: Number of firms, enterprises, associations, or community groups (#)

Disaggregation: Type of Entity; Supply Chain vs. Value Chain (or Both); Sector; Women's Ownership (if feasible); Vulnerable Groups (if feasible)

Reporting Scope and Frequency: Reported annually as a cumulative achieved result against a cumulative target

Alignment with CIF-Level Indicators: N/A

Overview:

NPC Core Indicator 3 tracks **increased firm-, enterprise-, association-, and community-level adoption of supply and value chains** that are not only financially sound but also environmentally and socially sustainable. The indicator covers both private sector actors (e.g., established micro, small, and medium enterprises (MSMEs), individual entrepreneurs) and local-level community groups (e.g., women's and indigenous agricultural cooperatives, associations for forest-based products). Sustainability may relate to reduced environmental risk, decarbonization of supply chains and production processes, increased social inclusion and responsiveness, stronger climate resilience of supply and value chains, and climate resilience-building of intermediary and end-users through supply and value chains (e.g., decarbonization of agricultural supply chains and related processes, sustainable livestock management, or mitigation in aquaculture value chains).

Reporting should consider both forward and backward linkages—i.e., connections with upstream sourcing and downstream distribution—in addition to own business practices. Mechanisms to improve sustainability can include sustainability certifications, zero deforestation pledges, corporate sustainability roadmaps, gender equality and diversity strategies, community engagement, new strategies or investments in nature-based solutions, and the integration of climate risks in governance or disclosures. NPC's support for more sustainable supply and value chains is expected to contribute to greater climate awareness of both producers and consumers, accelerated supply and demand for sustainable products, and new opportunities for climate-smart economic innovation overall.

Definitions:

Firms refer to private-sector businesses, including both MSMEs, large domestic businesses, and international companies operating in the NPC intervention zone. For the purposes of NPC M&R, firms correspond to pre-existing businesses.

Enterprises refer to newly launched businesses, including both individual-level entrepreneurs and different sizes of start-ups. For the purposes of NPC M&R, enterprises correspond to recent entrepreneurship (as opposed to pre-existing businesses).

Associations refer to an organized group of producers, individuals, businesses, or other entities, organized for a joint purpose, often around a specific industry, product, or social group. The term can be flexibly defined and applied according to the context of NPC projects.

Community groups refer to an organized group of individuals specific to a given locality or social group, often (but not only) in rural areas. Community groups may include vulnerable populations that have limited access to resources and opportunities and may require consideration during project implementation, such as Indigenous Peoples and local communities, persons with disabilities, and socioeconomically disadvantaged groups. The term can be flexibly defined and applied according to the context of NPC projects.

Adopted a sustainable approach refers to the uptake of one or more mechanisms or features that enhance the overall sustainability of a supply or value chain (as defined by MDBs) while ensuring that no aspects of the full supply or value chain—inclusive of all forward and backward linkages—qualify as unsustainable.

Supply chain generally refers to the coordinated execution of activities that are related to sourcing, procurement, conversion, and distribution of an economic good or service.

Value chain generally refers to the multi-step process through which raw materials gain value as they are sourced, manufactured or processed, developed, distributed, and marketed as an economic good or service.

Methodological Guidance:

Baseline: Supply and value chain mapping is typically the first step to identifying the unsustainable "pain points" or enhanced sustainability opportunities for an economic good or service. This may be paired with economic market diagnostics to better contextualize the supply or value chain within the macro-level systems and economic flows implicated. It should also identify which firms, enterprises, associations, or community groups are involved. By isolating unsustainable pain points and sustainability opportunities in the intervention landscape, NPC projects can better design interventions that address these issues. For the purposes of NPC Core Indicator 3, projects should begin with an implicit classification of whether the role(s) of the actors identified in the targeted supply or value chain is wholly unsustainable, or whether they simply have opportunities to optimize sustainable practices. The baseline value reported is likely to be zero (0) in most cases.[26]

Expected Results: The target value should be estimated based on the total number of firms, enterprises, associations, and community groups expected to adopt one or more enhanced sustainability mechanisms and eliminate all unsustainable practices by the end of the project. While each entity in the indicator's definition should be separately reported, a single supply or value chain where the NPC project intervenes can include multiple firms, enterprises, associations, or community groups. Similarly, the number of firms, enterprises, associations, and community groups targeted can span more than one supply or value chain. Projects may find it useful to calibrate expected results using a "target" supply or value chain mapping exercise and theory of change that illustrate how the baseline version is expected to transform over time (although this is not a formal pre-requisite to be able to report on this indicator).

Achieved Results: Results are reported annually, covering the period from January 1 to December 31 of the preceding year. Achieved results should be based on demonstrated evidence that a firm, enterprise, association, or community group has adopted the sustainable practice(s) identified and has eliminated unsustainable practices. Understanding how sustainable a full supply or value chain has become following NPC intervention, however, is likely to require more robust evaluative or research methods beyond the scope of reporting for this indicator.

Disaggregation:

Monitoring and reporting for this indicator must be disaggregated in three ways: (i) Type of Entity, (ii) Supply Chain vs. Value Chain or Both, (iii) Sector, and, if feasible, (iv) Women's Ownership, and (v) Vulnerable Group, including Indigenous Peoples and local communities, ethnic or racial minorities, youth or elderly persons, persons with disabilities, or lower-income groups.

The type of entity refers to the four units of measurement implicit in the definition: firms, enterprises, associations, and community groups. MDBs should define the targeted entities according to the NPC project context.

Supply chains and value chains (defined above) should also be classified by MDBs when reporting according to the NPC project context. This distinction is indicative at the project level, as CIF recognizes that there may be significant overlap of supply and value chain elements within a single project context, as well as potential differences in application across projects. MDBs can also report results on NPC Core Indicator 3 as "Both" supply and value chain if the intervention context of an NPC project justifies this classification.

Reporting should also be disaggregated by sector:

- Agriculture
- Livestock management
- Fisheries
- Mining
- Forestry (e.g., sustainable timber and non-timber)
- Tourism
- Manufacturing
- Infrastructure
- Financing/sustainable financing
- Other (can be specified)

Whenever possible, MDBs are encouraged to disaggregate reporting based on women and women's ownership: number of women-owned and managed firms, female entrepreneurs or women-owned and managed enterprises, women's associations, and women-specific community groups (e.g., female farmer agricultural cooperatives). When applicable, MDBs are further encouraged to disaggregate reporting for vulnerable groups, such as Indigenous Peoples and local communities, ethnic or racial minorities, youth or elderly persons, persons with disabilities, lower-income groups, etc.

Other Considerations:[27]

Results related to supply and value chains are inherently difficult to measure through an indicator due to their complex, systemic nature; tools that go beyond linear, project-level monitoring are critical. CIF's signals and dimensions framework (see Maximizing Transformational Impact) provides one potential approach that may be of particular use in this results area. For example, this approach may help assess effects on the end-user, on supply or value chain flows, or to improve understanding on the interlinkages of NPC-supported supply chains with the broader landscape or ecosystems in which they operate.

Box 3 lists information on one optional indicator closely related to NPC Core Indicator 3. MDBs are encouraged to complement their reporting on NPC Core Indicator 3 with this optional indicator, if feasible.

Data Sources:

Information can be based on MDB project results data or sector-specific enterprises involved in a project.

References:

See References.

BOX 3. Optional NPC Indicator Related to NPC Core Indicator 3

- **Number of climate-responsive market linkages improved or expanded (#)**

This indicator is adapted from the joint-IFI Harmonized Indicators for Private Sector Operations (HIPSO).[28]

NPC 4: Policies

NPC Core Indicator 4: Number of policies, regulations, codes, or standards related to climate-responsive land or natural resource management that have been amended or adopted

Unit of Measurement: Number of policies, regulations, codes, or standards (#)

Disaggregation: Type; Gender-Responsive vs. Gender-Blind; National vs. Sectoral vs. Local

Reporting Scope and Frequency: Reported annually as a cumulative achieved value against a cumulative target; Additional emphasis on qualitative reporting

Alignment with CIF-Level Indicators: Corollary to SREP, PPCR, REI, and ACT policy indicators

Overview:

NPC Core Indicator 4 measures the **number (#) of policies, regulations, codes, or standards** that have been amended or adopted by national, sectoral, and local government entities to enhance the sustainable, climate-responsive management of land or natural resources, following receipt of support from NPC at any point of the policymaking or regulatory process.

The different types of policies, regulations, codes, or standards reported under this indicator are intended to illustrate progress toward creating a robust enabling environment for supporting nature-based solutions and sustainable land management, and thus furthering the ultimate objectives of enhanced environmental protection, sustainable food production, increased climate mitigation and resilience, boosted livelihoods, and more sustainable supply and value chains for climate-smart economic innovation.

Definitions:

Policies, regulations, codes, and standards that affect land and natural resource management issues in a targeted political administrative unit, landscape, or ecosystem can cover a broad range of areas. For example, they may relate to:

- Environment and ecosystems
- Private enterprise
- Financial markets, institutions, and products
- Livelihoods (e.g., land and water tenure)
- Coastal zone management
- Gender equality and social inclusion[29]
- Empowerment of Indigenous Peoples, local communities, and ethnic or racial minority groups
- Just rural transitions[30]

In general, *policies* are used by a government entity to achieve a set of national, sectoral, or local planning objectives, including related economic, environmental, and social objectives. For the purposes of this indicator, this may refer to new legislation, laws, and acts adopted, or amendments enacted to existing ones. Policies qualifying under NPC Core Indicator 4 should cover one or more aspects of land or natural resource management and can pertain to one or more sectors in a targeted political administrative unit, landscape, or ecosystem.

To the extent that they are *climate-responsive*, they must also address one or more aspects of climate action relevant to mitigation or adaptation objectives, and they should typically align with international climate treaties like the Paris Agreement, countries' NDCs or NAPs, and other sustainability policy objectives.

Land and natural resource management policies are interpreted through *regulations* on how they are to be implemented or applied using a specific set of rules, incentives, directives, codes, or standards. In essence, a regulation is a specific set of rules or incentives describing how a regulatory agency is expected to carry out legislation.

Codes are typically administered as parameters for meeting specific regulatory requirements.

Standards are similar to codes and typically establish minimum requirements or guidelines for meeting specific regulatory requirements and/or sectoral practices.

Methodological Guidance:

Baseline: Identifying whether an NPC intervention affects a policy, regulation, code, or standard is the responsibility of the MDB at project inception. MDBs should apply this categorization in accordance with the policy ecosystem and terminology used in each country's context.

Expected Results: Targets are set as the total number of policies, regulations, codes, or standards expected to be amended or adopted before the project conducts its completion report. Any policy, regulation, code, or standard for which NPC provides direct support (e.g., technical assistance) qualifies under this indicator, regardless of the specific stage of policymaking or regulation during which NPC intervenes.

Achieved Results: Results are reported annually, covering a period from January 1 to December 31 of the preceding year. To report on this indicator, MDBs are expected to tally the total number of policies, regulations, codes, or standards that have been amended or adopted until the project reaches completion. MDBs are encouraged to complement this indicator with a qualitative assessment of how policies, regulations, codes, or standards have been implemented while providing evidence of direct or indirect effects of how NPC interventions have impacted the enabling environment to promote the improved use and management of land and natural resources.

Disaggregation:

Monitoring and reporting for this indicator must be disaggregated in three ways: (i) Type, (ii) Gender-Responsive vs. Gender-Blind, and (iii) National vs. Sectoral vs. Local.

MDBs should determine whether an NPC intervention affects a policy, a regulation, a code, or a standard (i.e., the type). This determination should be made in accordance with the policy ecosystem and terminology used in each country context. Due to this variation, it is expected that there may be some fluidity across these subcategories at the NPC program level.

It should be further determined whether an NPC-supported policy, regulation, code, or standard is *gender-responsive* or *gender-blind* in nature. Gender-responsive policies, regulations, codes, or standards take into consideration the differentiated needs of women and men, potential gender gaps, and actions needed to address them. Gender-blind policies, regulations, codes, or standards do not specifically take into consideration or address any of these issues. Examples of gender-responsive policies, regulations, codes, or standards relevant to NPC may include:

- Human resources policies in companies that use or process natural resources (e.g., recruitment quota)
- Policies that support gender equality or women's employment (e.g., capacity building directed at improving women's employability)
- Inclusion of safeguards against sexual exploitation and gender-based violence
- Policies that support women's ownership of, access to, and control over natural resources

Thirdly, the policies, regulations, codes, or standards should be disaggregated by the level of government to which they apply: *national, sectoral,* or *local*.

Other Considerations:

Qualitative reporting is a critical aspect of NPC Core Indicator 4 to enhance the robustness of monitoring progress on land and natural resource management policies, regulations, codes, standards, and related effects. The NPC M&R System may also capture complementary information with NPC Co-Benefit Indicator 3 (Effective governance mechanisms with coherence across sectors) to illustrate how the policies supported and captured under NPC Core Indicator 4 align with a country's wider policy architecture.

To build on annual monitoring for this results area, changes in policies, plans, and institutional capabilities may also be considered as signals of transformational change of fundamental systems in landscapes and ecosystems (see Maximizing Transformational Impact). For example, specific policy analysis might support the overall understanding of coherence between international and national policies (i.e., relevance) and linkages between national policy and institutional capacity (i.e., scale).

Qualitative monitoring of policy updates should further consider responsiveness to vulnerable groups, including the inclusion of women, Indigenous Peoples and local communities, youth and elderly persons, persons with disabilities, racial and ethnic minorities, and lower-income groups, while balancing other sustainable development priorities. One example could be to track how NPC-supported policies facilitate the transition to more sustainable food production and land use, inclusive job creation, and environmental protection.

Box 4 lists information on three optional indicators closely related to NPC Core Indicator 4. MDBs are encouraged to complement their reporting on NPC Core Indicator 4 with reporting on these optional indicators, if feasible.

Data Sources:

Policy documents, legislation, acts, laws, regulations, codes, standards, and related announcements

References:

See References.

BOX 4. Optional NPC Indicators Related to NPC Core Indicator 4

- **Number of people from targeted institutions and communities trained in climate-responsive measures (women and men) (#)**

This indicator examines the strengthened enabling environment for sustainable uses of land and other natural resources based on training capacity. If reported, it should feed directly into CIF Impact 3 (Beneficiaries).

- **Number of sub-national budgeting processes supported that have integrated climate/land-use[31] considerations (#)**

This indicator tracks progress toward increased access to capital and budgeting for sustainable uses of land and other natural resources with a focus on the sub-national level. Reporting could consider alignment with the United Nations Statistics Division's measurement framework and global standard for Natural Capital Accounting.

- **Value of climate-responsive subsidy reforms implemented (USD)**

This indicator tracks the total value of subsidy reforms implemented as a subset of NPC's overall efforts to increase access to capital and budgeting for sustainable uses of land and other natural resources.

NPC 5: Co-Finance

NPC Core Indicator 5: Volume of co-finance leveraged

Unit of Measurement: USD

Disaggregation: Source of Co-Financing; Mitigation vs. Adaptation (or Both or Other)

Reporting Scope and Frequency: Reported annually as an annual and cumulative achieved value against a cumulative target

Alignment with CIF-Level Indicators: Feeds into CIF Impact Indicator 4 (Co-Finance)

Overview:

NPC Core Indicator 5 measures the amount of **direct financing leveraged (i.e., co-financing)** from both public and private sources as part of the NPC program. The concessionality of NPC resources is designed, in part, to crowd in additional resources from both implementing MDBs and other sources of co-financing. This combination of catalytic NPC financing and other resources forms the full financial package for each NPC project. The amount of co-financing that actually materializes is tracked in **USD** over the course of NPC program implementation to demonstrate the total amount of climate financing enabled through the program over time. NPC Core Indicator 5 also directly feeds into CIF Impact Indicator 4, since leveraging co-financing is a common objective of the CIF across multiple programs.

Definitions:

Volume of co-finance refers to the total amount of resources mobilized separately from NPC funding that is integrated into the financial package for a project being implemented as part of the program. Co-finance may come from MDBs, governments, the private sector, bilateral agencies, and other actors.

Leveraged refers to the mobilization process of non-NPC resources for the financial package of projects implemented as part of the program. Although the concessionality of NPC funding is intended to catalyze the mobilization of additional resources, for the purposes of this indicator, leveraging refers to all co-financing sources.

Methodological Guidance:

Baseline: N/A

Expected Results: Setting the target for the total estimated volume of co-financing takes place as part of the project origination and appraisal process (see Section 5). An initial estimate (in USD) should be included as part of each project proposal submitted to the CIF TFC. If another currency is used for the operation, the currency conversion rate should be clearly communicated along with the converted amount(s) in USD. Co-financing targets should be updated, finalized, and reported at the MDB Board approval stage for each project (see Section 5).

Achieved Results: While MDBs may adhere to different methodologies to report and track achieved co-financing, each MDB should inform the CIF Secretariat of its preferred reporting methodology and apply the methodology consistently to all projects in its NPC portfolio. In general, it is preferable for achieved co-financing to be reported annually, based on actual disbursement over the course of project implementation. MDBs are strongly encouraged to draw from joint-MDB frameworks, such as the "Reference Guide by Joint-MDBs on Private Capital Investment Mobilization," to promote harmonized reporting on climate finance (Joint-MDBs Working Group 2018).

Disaggregation:

Monitoring and reporting for this indicator must be disaggregated in two ways: (i) Source of Co-Financing, and (ii) Mitigation vs. Adaptation (or Both or Other).

CIF utilizes five main categories for sources of co-financing, which are applied to reporting for this indicator: *MDBs, government, the private sector, bilateral agencies, and other sources.*

All co-finance reported that qualifies as climate finance should be tagged as either *mitigation* or *adaptation finance,* in line with MDBs' Paris Alignment assessments of project financing and the methodology used in the "Joint Report on MDBs' Climate Finance" (Joint-MDBs Working Group 2021). Since NPC co-financing is expected to contribute substantially to both mitigation and adaptation finance, it is critical for MDBs to specify the co-financing amounts considered as adaptation vs. mitigation finance when reporting on NPC Core Indicator 5. Any amount of co-financing counted as both mitigation and adaptation financing should be reported as such. Any co-financing amount that does not qualify as climate finance should also be specified when reporting.

Other Considerations:

For private sector projects, confidential co-financing information can be reported as a confidential result in the "Uploaded Documents - Co-Benefits" section of the CCH and formally marked as "Confidential." The document will then only be visible to members of the CIF Secretariat and the MDB responsible for the project.

By design, the disaggregated private sector values for NPC Core Indicator 5 overlap with some aspects of NPC Core Indicator 8 (Private Sector Investments). However, the indicators measure different dimensions; NPC Core Indicator 5 captures the disaggregated value of private sector sources of financing alone, whereas NPC Core Indicator 8 captures all sources of co-financing that enable the bankability of projects implemented through the private sector.

Data Sources:

Financial data in MDB project proposals, appraisal documents, supervision, and completion reports

References:

See References.

NPC 6: Livelihoods

NPC Core Indicator 6: Number of people receiving livelihood benefits

Unit of Measurement: Number of people (men/women) (#)

Disaggregation: Type of Benefit; Adaptation vs. Mitigation (or Both or Other); Gender; Indigenous Peoples (including DGM) and Other Vulnerable Groups (as applicable); Direct vs. Indirect (optional)

Reporting Scope and Frequency: Reported annually as a cumulative achieved value against a cumulative target; Additional emphasis on qualitative reporting

Alignment with CIF-Level Indicators: Feeds into CIF Impact Indicator 3 (Beneficiaries), and where relevant, CIF Impact Indicator 2 (Adaptation); Corollary to FIP Theme 1.2 and PPCR Core Indicator 5

Overview:

NPC Core Indicator 6 measures **the number of people supported with monetary or non-monetary livelihood benefits** through NPC interventions. As the primary metric tracking the "people" component of "Nature, People, and Climate" investments, this indicator aims to capture a broad suite of socio-economic development gains related to the livelihoods of targeted beneficiaries. Livelihood benefits may relate to new or improved sources of income; improved food access or food security; improved water access or water security; entrepreneurship opportunities;[32] access to finance; strengthened climate resilience of current livelihoods; reduced/avoided loss and damage to livelihoods from extreme climate events; or other areas.

Many livelihood benefits are expected to be achieved through NPC's *mitigation-oriented nature-based solutions* and related activities. For example, new sources of income can be generated through the introduction of agroforestry, regenerative agriculture, payments for environmental services, or sustainable value chain development. Further livelihood benefits are expected to be achieved through NPC's *adaptation-oriented natured-based solutions* and related activities. These may include strengthened livelihood resilience of rural communities and local populations through activities like climate-smart agriculture, climate-resilient water and livestock management, or enhanced ecosystem services. It could also include the minimization of loss and damage to livelihoods through disaster risk reduction and early warning system approaches. This indicator also encompasses other types of livelihood benefits achieved through general development impacts.[33]

All livelihood benefits reported under NPC Core Indicator 6 feed directly into CIF Impact Indicator 3 (Beneficiaries). In addition, all livelihood benefits reported that are tagged under the adaptation disaggregation feed directly into CIF Impact Indicator 2 (Adaptation).

NPC Core Indicator 6 is designed to capture livelihood results achieved through all NPC projects, including the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM). The number of Indigenous Peoples receiving livelihood benefits through the DGM contributes to the total achieved results for NPC Core Indicator 6, while also offering the possibility for separate disaggregation of (a) all Indigenous Peoples supported in the program, and (b) people supported through the DGM window alone.

Definitions:

Number of people refers to the total population of beneficiaries targeted for at least one qualifying form of livelihood benefit (per NPC project). This can include rural communities, Indigenous Peoples, or other types of people residing in an intervention zone. Each person should only be counted once, even if targeted for more than one livelihood benefit.

Receiving means a targeted person has been reached through at least one NPC intervention with a livelihood benefit objective (explicit or implicit).

Livelihood benefits refer to a broad suite of socio-economic development gains linked to mitigation, adaptation, or other development interventions. In addition to basic economic security, livelihoods also cover a person's physical, material, and environmental security and capacity to thrive, including in the face of climate shocks.

Methodological Guidance:

Baseline: Due to the breadth of potential livelihood benefits possible through NPC interventions, an important first step is to define the current status of livelihoods for the population in the targeted intervention zone. This can be accomplished through primary data collection, such as projects conducting baseline household surveys, or estimated through the use of pre-existing surveys and other data sources.[34] NPC projects may consider variables, such as poverty levels, employment status, income diversification, access to resources and services, and average agricultural yield, among others. They may also draw from existing climate risk assessments or conduct their own localized climate risk assessment to determine a baseline livelihood threat level to the targeted population in the intervention zone prior to adaptation interventions. It is also important to analyze the baseline livelihoods profile of a targeted population in terms of relevant social strata, such as sex, age, disability status, indigeneity, and membership to other context-specific vulnerable groups (e.g., ethnic minorities, marginalized geographies, etc.). Planning for disaggregation considerations—including data availability and analyses—should be determined upfront.

Expected Results: First, MDBs should identify the scope and type of livelihood benefits expected to be generated through an NPC project, including whether it is linked to a mitigation activity, an adaptation activity, or another development activity. A separate analysis may need to be conducted for each type of livelihood benefit. Then, out of the total targeted population in the intervention zone, MDBs should estimate the proportion expected to receive each livelihood benefit and convert this figure to an absolute value. This estimation should be closely anchored by a causal link, established in the project's theory of change. In some cases, the estimation may be based on the direct implementation scope of project activities (e.g., people directly receiving drought-resistant seed). In general, qualifying livelihood benefits should be more significant in nature than participation in a training session or simply residing in the catchment area of a project's awareness-raising campaign, which should not be counted.[35]

A similar approach should be conducted for each sub-population identified in the disaggregation, in coordination with the project's overall social assessment and gender analysis during the project design or appraisal process. NPC projects must report clear, evidence-based targets for each of the disaggregated social groups embedded in the indicator's composition.

Achieved Results: The gold standard for measuring achieved results on NPC Core Indicator 6 requires primary data collection, such as household surveys, to directly measure the extent to which targeted households' real observed livelihood variables have improved over time.[36] NPC projects are strongly encouraged to invest in robust M&E systems that incorporate primary data collection, analysis, and feedback loops into their core design, especially where innovative new approaches with scale-up potential are being piloted, or where investment volumes and economies of scale support the business case for investing in more robust evidence generation.

As a minimum standard, NPC projects should track the number of people directly reached through NPC interventions with livelihood benefit objectives (i.e., persons supported) over time. MDBs must report annual updates on the number of people supported, ensuring that beneficiaries reached during previous years are not double counted in reporting. If the same person has received more than one type of livelihood benefit, they may

be counted in each instance, but the project should specify this and clearly report the total number of people reached across all types of benefits (without double counting).

Disaggregation:

A comprehensive disaggregation of NPC Core Indicator 6 is critical to building an evidence base on how nature-based solutions and related investments generate different types of livelihood benefits and how they are distributed to different actors in their respective socio-economic and geographic contexts over time.

Monitoring and reporting for this indicator must be disaggregated in four ways: (i) Type of Benefit, (ii) Adaptation vs. Mitigation (or Both or Other), (iii) Gender, (iv) Indigenous Peoples and Other Vulnerable Groups (as applicable), and optionally (v) Direct vs. Indirect.

The *type of benefit* refers to the main categories of both monetary and non-monetary benefits expected through NPC:

- New or improved sources of income
- Improved food access, availability, utility, stability, or security
- Improved water access, availability, or security
- Access to other natural resources
- Access to finance
- Access to services
- Strengthened climate resilience of current livelihoods
- Access to social support systems
- Reduced or avoided loss and damage to livelihoods from extreme climate events
- Other development benefits (to be specified by MDBs at time of reporting)

Adaptation-related livelihood benefits should be tagged as such during reporting. All beneficiaries tagged under the adaptation livelihood benefits disaggregation directly feed into CIF Impact Indicator 2 (Adaptation). Livelihood benefits that are generated through a *mitigation* qualifying activity should also be tagged as such, with the objective to strengthen NPC's evidence base for the linkages (and trade-offs) between mitigation and development impacts. If a livelihood benefit without a direct link to mitigation or adaptation activities results from the program, it should be tagged as *other*. People who receive both adaptation benefits and livelihood benefits related to a mitigation intervention must be tagged as *both*.

Per the CIF Monitoring, Evaluation, and Learning Policy and Guidance (2021) and CIF Gender Policy (2018), all livelihood benefits must be disaggregated by gender (i.e., men vs. women). This enables NPC to track its contribution to reducing the gender gap in targeted populations over time, track the progress of women-specific activities, as well as to analyze other gender-differentiated trends in the program results achieved.

Livelihood benefits attained for *Indigenous Peoples* should also be disaggregated for NPC Core Indicator 6. NPC projects financed through the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities are expected to contribute livelihood-related results in particular. If other NPC projects target Indigenous Peoples through their interventions, they should also report results using this disaggregation.

As applicable and identified by projects, MDBs are strongly encouraged to disaggregate livelihood results achieved specifically for other vulnerable groups. These groups may include Indigenous Peoples and local communities, ethnic or racial minorities, youth or elderly persons, persons with disabilities, lower-income

groups, or others. MDBs should identify which group is being measured in this disaggregation during the first year of the NPC project reporting, using the CIF Collaboration Hub.

Most results reported under NPC Core Indicator 6 are expected to have a *direct* causal link with an NPC intervention, such as the number of people directly reached through a project activity. However, if a project is able to estimate *indirect* livelihood benefits to a larger population or a secondary population, the MDB should also report the disaggregated *indirect* result under NPC Core Indicator 6. One example is positive spillover effects from a nature-based solution; for instance, people with new income generated from the processing or commercializing of cocoa that was cultivated with NPC support in a neighboring area.

Other Considerations:

NPC recipient countries are encouraged to conduct upstream analytical work on beneficiary and stakeholder group livelihoods during the land-use diagnostics (Phase I) and investment planning (Phase II) phases of NPC to inform the baseline for NPC Core Indicator 6. In addition, just transition aspects of livelihoods—such as distributional impacts, social inclusion, and transformational intent—may be further considered when monitoring this result area. Qualitative reporting approaches are encouraged to further describe and contextualize the nature of livelihood benefits achieved.

Data Sources:

Household surveys, climate risk assessments, national and sub-national statistical systems, project M&E systems, project appraisals, project supervision reports, and project completion reports

References:

See References.

BOX 5. Optional NPC Indicators Related to NPC Core Indicator 6

- **Increase in annual mean household income/consumption (USD per year)**

This indicator seeks to measure improved livelihoods across households in a targeted landscape or environment and can be aligned with MDBs' own poverty measurement indicators.

- **Reduction in moderate or severe food insecurity (# and %)**

This indicator seeks to measure reduced food insecurity across households in a targeted landscape or environment and can be aligned with MDBs' own food security indicators.

NPC 7: Jobs

NPC Core Indicator 7: Number of jobs created

Unit of Measurement: Number of jobs (#)

Disaggregation: Direct vs. Indirect vs. Induced; Permanent vs. Temporary; Gender; Vulnerable Groups (Optional)

Reporting Scope and Frequency: Reported annually as a cumulative achieved value against a cumulative target; Possibility for additional modeling of estimated job creation

Alignment with CIF-Level Indicators: Corollary to ACT Core Indicator 3, REI Co-Benefit Indicator 3, CTF and SREP Co-Benefit Indicators

Overview:

NPC Core Indicator 7 tracks the **number of jobs created** as a result of NPC interventions. Job creation is an important benefit of nature-based solutions[37] that is expected to apply to many NPC projects. For instance, the International Labor Organization (ILO), the United Nations Environment Program (UNEP), and the International Union for Conservation of Nature (IUCN), estimate that tripling investments in nature-based solutions by 2030 would generate an estimated additional 20 million jobs (16 million of which are full-time employment) (ILO, UNEP, and IUCN 2022, pg. 18). Jobs can be created during the planning, implementation, or monitoring and evaluation phases of nature-based solutions, and they can be permanent or temporary, and direct, indirect (i.e., from the supply chain), or induced (i.e., from consumption effects) (Ibid. pg. 137–138). The primary focus of NPC Core Indicator 7 is direct job creation, although projects have scope to report indirect and induced jobs created, if feasible. CIF may also conduct supplementary modeling exercises to estimate NPC's indirect and induced job creation.

Potential jobs might relate to blue and green infrastructure construction and maintenance, new opportunities in climate-smart agriculture and aquaculture, landscape and coastal zone restoration, nature-based enterprises, or other areas supported through NPC. Monitoring and reporting on NPC Core Indicator 7 should also focus on which sub-population groups are gaining employment opportunities, and the type of jobs created for them.

Definitions:

A *job* refers to a set of tasks and duties performed, or meant to be performed, by one person for a single economic unit. It is associated with work for pay or profit, i.e., employment (ILO 2013).

Created refers to a job that did not exist at an NPC project's baseline but came into existence due, at least in part, to one or more NPC interventions.

Methodological Guidance:

The definition of *job creation* is key to estimating expected and achieved results values for this indicator, and it depends on each MDB's policies and procedures, which need to be disclosed. The definition may depend on the type of employment contract signed between the employer and the employees, and whether it is for permanent or temporary, full-time or part-time, and direct or subcontracted employment. The formality or informality of the employment may or may not be considered, depending on the chosen definition of employment.

This indicator offers the possibility to report both direct and indirect job creation. Induced jobs created can be reported through modeling exercises if sufficient data are available.

Baseline: For new job creation, the baseline is typically set at zero (0). For changes in landscape-level economic opportunities, the number of jobs may be available as part of the land-use diagnostics, investment planning, or other landscape-specific operational data.

Expected Results: The target value for new jobs created can be estimated as part of the due diligence work conducted during the design and appraisal phase of each NPC project. Economic modeling may also be used to estimate onward effects of job creation from economic growth related to nature-based solutions and other NPC interventions.

Achieved Results: Results are reported on an annual basis, covering the period from January 1 to December 31 of the preceding year. Annual results refer to new jobs created during the reporting period, as evidenced through project operational data or economic studies. Cumulative results cover all new jobs created over the lifetime of a given project. All data sources should be cited and specified at time of reporting.

Disaggregation:

Monitoring and reporting for this indicator must be disaggregated in three ways: (i) Direct vs. Indirect vs. Induced, (ii) Permanent vs. Temporary, (iii) Gender, and optionally, (iv) Vulnerable Groups (if feasible).

Direct jobs created refers to new jobs created as a result of NPC project intervention(s), whereas indirect jobs refer to additional jobs created along the value chain of the product or service that the NPC intervention supported. For example, a community supported by an NPC intervention to harvest agricultural products benefits from direct job creation. If a neighboring community then processes and sells these agricultural products, this second community would benefit from indirect job creation. *Induced jobs* refer to new jobs that are created due to increased household consumption resulting from the income earned by direct or indirect employees.

Permanent jobs are ongoing in nature, whereas *temporary* jobs are linked to shorter timespans, e.g., during the construction phase of an activity, seasonal labor.

Overall, these disaggregation levels are defined by the MDBs.

All NPC projects should also report whether the jobs created are filled by women or men (i.e., disaggregation by *gender*). Within the context of a specific NPC project, MDBs are encouraged to further disaggregate reporting of jobs created for vulnerable groups. This includes, but is not limited to, Indigenous Peoples and local communities, ethnic or racial minorities, youth or elderly persons, individuals with disabilities, and lower-income groups, as relevant and feasible.

Other Considerations:

While it is expected that there might be some overlap with NPC Core Indicator 6 (Livelihoods), this indicator measures the number of jobs created rather than the number of *beneficiaries* (i.e., *people*). Only the number of beneficiaries recorded under NPC Core Indicator 6 feeds into CIF Impact Indicator 3 (Beneficiaries).

It is also important to note that NPC Core Indicator 7 has limitations in terms of assessing the extent to which NPC generates *decent work*[38] and *green jobs*,[39] both of which are important aspects of a just transition. CIF, in coordination with MDBs, may assess these areas through complementary evaluative approaches and studies. NPC recipient countries are also encouraged to incorporate the concepts of decent work, green jobs, and a just transition when applying their multi-stakeholder review mechanism(s) at critical points in the NPC investment plan lifetime (see Section 4.1).

Data Sources:

National labor statistics, national or local household surveys, firm-level surveys, employment surveys, field data collection, economic studies, land-use diagnostics, project-level M&E systems, and economic modeling exercises

References:

See References.

NPC 8: Private Sector Investment

NPC Core Indicator 8: Number and value of CIF-supported private sector investments in sustainable land or natural resource management

Unit of Measurement: Number (#) and value (USD) of investments

Disaggregation: Number vs. Value; Mitigation vs. Adaptation (or Both or Other)

Reporting Scope and Frequency: Reported annually as a cumulative number of investments and their respective value, against a cumulative target (for both number and value); Additional emphasis on qualitative reporting

Alignment with CIF-Level Indicators: Closely related to CIF Impact Indicator 4 (Co-Finance)

Overview:

NPC Core Indicator 8 measures **the total number and value of private sector investments** that support sustainable land or natural resource management, including through direct NPC support, co-financing mobilized, and financial intermediation approaches. Ensuring the mobilization and buy-in of the private sector for sustainable land and natural resource management in NPC's targeted investment geographies is a key priority of the program. Potential private sector investments could cover nature-based solutions, climate-smart agricultural value chain development, commercial forestry, development of non-timber forest products, eco-tourism, sustainable fisheries, and other blue economy investments, among others. NPC Core Indicator 8 tracks these investments in terms of both mitigation and adaptation objectives.

Definitions:

The *number of private sector investments* refers to the discrete number of bankable projects that incorporate private sources of finance (debt, capital, equity, etc.) as part of their financing package. This equates to MDB Board-approved private sector projects within the NPC portfolio, but it also covers on-lending activities that enable additional private sector projects funded through NPC-supported commercial banks or other financial intermediation approaches.

Value refers to the monetary value in USD of full, bankable investments, including all sources of co-financing mobilized.

CIF-supported refers to any investment that received NPC concessional financing directly, or where a direct causal link can be established between NPC and the investment (e.g., through enabling activities).

Sustainable land or natural resource management refers to practices that conserve, protect, restore, rehabilitate, or otherwise ensure the maintenance of healthy ecosystems and natural capital over time, in harmony with social, economic, and environmental factors.

Methodological Guidance:

Baseline: During the land-use diagnostics and investment planning phase, NPC countries should assess the overall level of private sector flows related to sustainable land or natural resource management in the targeted geographic and sectoral investment area(s). At the project level, the baseline should be set to zero (0) for both the number and value, since the indicator only tracks new private sector investments directly linked to NPC support. For public sector projects, no reporting is required for NPC Core Indicator 8.

Expected Results: The target should be established by MDBs at project board approval and should reflect all sources of private sector finance within a project's financial package expected to be mobilized as co-financing. At least one source of private financing is required for a project to qualify as a "private sector investment" project. If the same source of private financing deploys multiple financial instruments in concert to enable the bankability of the full project, the target should only count the private sector investment project once. The target value of private sector investments should take into consideration the total monetary value (in USD) of all sources of finance and instruments enabled through NPC. This is typically reflected in a project's MDB Board-approved financing package.

In cases of financial intermediation, projects should estimate the total capital mobilization potential of all on-lending enabled through the NPC-supported facility or commercial bank.[40] Each sub-project with at least one source of private financing counts as one unit, and the target value equates to the sum of all sources of financing expected to be mobilized across sub-projects.

While most NPC projects are expected to invest in "sustainable land or natural resource management," if a project's scope does not cover these issues for any reason, the project (and its value) should not be counted as a private sector investment for the purposes of NPC Core Indicator 8.

Achieved Results: Results are reported on an annual basis, covering the period from January 1 to December 31 of the preceding year. Private sector investments should only be considered as "achieved" after at least one disbursement has occurred. The total value of private sector investments should equate to the real disbursed value of co-financing over time. In some cases, disbursement data may not be available to be reported until project completion.

Disaggregation:

Monitoring and reporting on this indicator is differentiated by definition as (i) Number vs. Value of Investments. In addition, monitoring and reporting should be disaggregated as (ii) Mitigation vs. Adaptation (or Both or Other).

All private sector investments reported that qualify as climate finance should be tagged as either mitigation or adaptation finance, in line with MDBs' Paris Alignment assessments of project financing and the methodology used in the "Joint Report on MDBs' Climate Finance" (see References). Since NPC private sector investments are expected to contribute substantially to both mitigation and adaptation finance, it is critical for MDBs to specify the value considered as adaptation vs. mitigation finance when reporting on NPC Core Indicator 8. Any number and value of private sector investments counted as both mitigation and adaptation financing should be reported as such. Any portion of private sector investments that does not qualify as climate finance should also be explicitly reported.

Other Considerations:

Qualitative reporting is a critical aspect of NPC Core Indicator 8 to describe, contextualize, and monitor the role private investments play in the implementation of nature-based solutions and related effects. This aspect of reporting is captured through open qualitative fields in the CCH reporting platform. The NPC M&R System may also capture complementary information on private investments through the selection of a related NPC co-benefit indicator.

Evaluative work beyond the immediate scope of the NPC M&R System may be needed to examine the total level of private sector investments in the targeted geographic and sectoral investment area(s), such as spillover, demonstration, and follow-on effects that catalyze new and additional private sector investments beyond those that NPC has directly supported or enabled (see Maximizing Transformational Impact).

Data Sources:
Financial and activity data in MDB project proposals, appraisal documents, supervision, and completion reports

References:
See References.

NPC 9: Innovation

NPC Core Indicator 9: Number of innovative businesses, entrepreneurs, technologies, and other ventures demonstrating a strengthened climate-responsive business model

Unit of Measurement: Number of businesses, entrepreneurs, technologies, and ventures (#)

Disaggregation: Built into Definition as Four Units of Measurement; Women-Owned Businesses; Gender of Entrepreneur (if individual level)

Reporting Scope and Frequency: Reported annually as a cumulative achieved value against a cumulative target; Additional emphasis on qualitative reporting

Alignment with CIF-Level Indicators: Corollary to innovation indicators in other CIF programs

Overview:

NPC Core Indicator 9 aims to capture NPC's contribution to **innovating sustainable business models** with nature-based solutions (or related approaches), particularly by tracking private sector innovation and advancements with a direct link to climate action. For instance, some NPC projects may support business model progress from ideation to prototyping, research and development, pilot testing, entry to market, or scaling up. Innovative business models need to be specifically defined and monitored within the context of each operation. At program level, NPC tracks the number of businesses, entrepreneurs, technologies, and other ventures that are both directly supported by the program and can provide evidence to demonstrate their strengthening from one stage of business model development to the next. NPC projects without this type of focus do not need to report on NPC Core Indicator 9.

Definitions:

Innovative refers to a characteristically new practice or approach employed that differs from the business-as-usual scenario to meet a given objective. Ultimately, MDBs are responsible for determining what constitutes an "innovative" business model within the project contexts where they operate. MDBs are encouraged to draw from international standards, such as the Joint-IFI Harmonized Indicators for Private Sector Operations (HIPSO), which defines firm-level business innovation as the adoption or operationalization of a product, internal process, technology, or financing structure that is new or not widely used in the domestic sector (see References).

Businesses, entrepreneurs, technologies, and other ventures are the four viable units of measurement that CIF employs to track this indicator.

- *Businesses* targeted can be at different scales, such as micro, small, and medium enterprises (MSMEs) or corporations.
- *Entrepreneurs* refer to individual or firm-level actors attempting to introduce a new business or business concept in a new market context.
- *Technologies* in this context refer to a wide range of tools and instruments used to advance targeted aspects of nature-based solutions, e.g., satellites measuring soil carbon sequestration, drones used for post-wildfire reforestation, DNA testing to monitor biodiversity, regenerative agriculture technologies, biotechnology, etc.

- *Venture* is an open-ended term that can be used to capture other activities or initiatives driving the innovation of targeted business models.

Demonstrating a strengthened business model refers to the provision of evidence that a given business model supported by NPC has advanced from one stage of development to another (i.e., from ideation to prototyping, research and development, pilot testing, entry to market, or scale-up). While business models can be defined according to each project's local conditions and market context, some common examples relevant to the scope of NPC include sustainable commercial forestry models, climate-smart agriculture, agro-processing, sustainable fisheries, eco-tourism, and adaptation financing facilities.

Climate-responsive describes an entity or activity that specifically addresses one or more aspects of climate action relevant to mitigation or adaptation objectives. For example, most activities within NPC are expected to qualify as climate-responsive due to the direct linkage of sustainable land, ecosystem, and resource management approaches with climate change mitigation or adaptation objectives.

Methodological Guidance:

Baseline: The most important baseline consideration for this indicator is to define innovation within each NPC project's context. In general, a business, entrepreneur, technology, or venture should be classified as innovative if it employs an altogether new concept for nature-based solutions, or if it is a first-time approach within the targeted ecosystem or market context.

Expected Results: Each business, entrepreneur, technology, or venture that is both classified as innovative and receives direct financial or technical support from NPC counts as one unit. The total number of units expected to strengthen their business model over the implementation period should feed into the expected results reported for this indicator.

Achieved Results: The units should be counted as having "achieved" a strengthened climate-responsive business model when direct evidence (qualitative or quantitative) becomes available showing that the business model has strengthened since the baseline scenario. Typically, this means that a business model has moved from one business development phase to the next. In practice, MDBs should use their discretion to declare the "tipping point" when this has happened and provide a short, descriptive narrative of how and why this is the case. It is likely that many projects will not be able to report achieved results on this indicator until mid-term or project completion.

Disaggregation:

Monitoring and reporting for this indicator should be disaggregated in three ways: (i) Definition, (ii) Women-Owned and Managed Businesses, and (iii) Gender of Entrepreneur (if individual).

NPC Core Indicator 9 is implicitly disaggregated by entity based on the units of measurement in the *definition* (i.e., businesses, entrepreneurs, technologies, and ventures). For businesses, further disaggregation should be used to capture *women-owned and managed businesses*. For entrepreneurs, further disaggregation should track *men vs. women entrepreneurs* if entrepreneurship is at the individual level.

Other Considerations:

This indicator is primarily intended to support more innovative project models to track their level of support for new businesses, entrepreneurs, technologies, and ventures, which often carry a high level of risk. Qualitative narrative reporting is an important complement to enhance the robustness of progress achieved for this often context-specific area of work.

In some cases, an innovative business or entrepreneur counted under NPC Core Indicator 9 may also qualify to be counted as a firm or enterprise under NPC Core Indicator 3 (Sustainable Supply Chains).

Box 6 lists information on one optional indicator closely related to NPC Core Indicator 9. MDBs are encouraged to complement their reporting on NPC Core Indicator 9 with this optional indicator, if feasible.

Data Sources:

Business plans and operational progress reports, routine project monitoring, qualitative assessments, and direct private sector feedback

References:

See References.

BOX 6. Optional NPC Indicator Related to NPC Core Indicator 9

- **Number of innovative products, services, technologies, and processes that have entered a new market context (#)**

This indicator is intended to measure the commercialization of innovative products, services, technologies, and processes. These should be defined similarly as for NPC Core Indicator 9.[41]

3.4 NPC Co-Benefit Indicators (Category 4)

In a global policy environment where every last dollar of climate finance matters; governments, policymakers, investors and their constituencies are increasingly interested in how scarce climate finance can achieve multiple co-benefit objectives. Funding must not only contribute toward the Paris Agreement's goals but also toward inclusive economic growth, SDGs, just transitions, biodiversity, and more. This approach further reflects the fact that MDBs, as both implementing entities for climate finance and development institutions, are already delivering blended finance operations that aim to achieve these multiple results objectives.

Co-benefits refer to development outcomes, achieved as a result of NPC projects, that are not directly linked to NPC's main objective of improved use and management of land and other natural resources for low-carbon and climate-resilient livelihoods and businesses.

Examples of co-benefits include the economic growth of targeted sectors or industries within the landscape or ecosystem, effective governance mechanisms that bring coherence across sectors, secure access to land through recognition of land tenure and rights–especially for women and Indigenous Peoples and local communities—and enhanced biodiversity through nature-based solutions.

Overall, co-benefit indicators help demonstrate the wider development benefits of NPC interventions and can be measured through both quantitative and qualitative means.

> **Projects financed under NPC are required to select at least one co-benefit indicator and integrate it into their project-level results framework prior to MDB Board approval. Co-benefit indicators can either be selected from the illustrative list in this toolkit or identified by the MDB in line with NPC projects' own development objectives. Monitoring and reporting of NPC co-benefit indicator results should occur annually, alongside reporting on core indicators, and should include complementary qualitative reporting if appropriate.**

The following section provides example indicators for the co-benefits expected to be achieved through NPC projects, as set forth in the NPC IRF.

NPC Co-Benefit 1: Green Growth

Example Indicator for NPC Co-Benefit 1: Economic growth of targeted sectors or industries within the landscape or ecosystem

Unit of Measurement: Percentage growth (%)

Disaggregation: Type of Landscape or Ecosystem

Reporting Scope and Frequency: Reported annually as an annual or cumulative achieved value against an annual or cumulative target value

Alignment with CIF-Level Indicators: N/A

Overview:

NPC Co-Benefit Indicator 1 seeks to estimate **economic growth that is low-carbon, environmentally sustainable, and socially inclusive.** Such economic growth can be considered *green* for NPC interventions related to agriculture and food systems, forests, or other terrestrial landscapes, or *blue* for NPC interventions related to coastal, marine, and freshwater ecosystems. Green or blue growth can be selected as a co-benefit for reporting in NPC projects that target the sustainable use and management of land or ecosystems while promoting economic growth and development objectives, for example through innovation (NPC 9).

Definitions:

The concept of *economic growth* is straightforward in the field of economics. It measures the extent to which the production of goods or services increases over a defined period. However, *green* and *blue economic growth* are aspirational concepts without single, universally accepted definitions.[42]

For instance, the United Nations' Environment Program defines a green economy as one that promotes growth in employment and income "driven by public and private investment into such economic activities, infrastructure and assets that allow reduced carbon emissions and pollution, enhanced energy and resource efficiency, and prevention of the loss of biodiversity and ecosystem services" (UNEP n.d.). For the World Bank, green growth consists of a "growth pattern that is efficient in its use of natural resources, clean in that it minimizes pollution and environmental impacts, and resilient in that it accounts for natural hazard and the role of environmental management and natural capital in preventing disasters" (World Bank 2018). And according to OECD, green growth requires sustainable delivery of the full economic potential of natural assets to "service our well-being." (OECD n.d.).

For the purposes of NPC Co-Benefit Indicator 1, reporting can focus on targeted sectors, industries, or firms for a specific landscape or ecosystem that have been directly affected by an NPC intervention. A *landscape or ecosystem* refers to the physical area or environment covered by NPC intervention(s), including forests, agricultural areas, and other terrestrial landscapes (i.e., green growth), or coastal, marine, and freshwater ecosystems (i.e., blue growth).

> **These definitions are indicative. MDBs reporting on NPC Co-Benefit Indicator 1 are encouraged to define and measure a specific aspect of green growth, as relevant per NPC project.[43]**

Methodological Guidance:

In general terms, reporting on NPC Co-Benefit Indicator 1 should provide a measure of the growth of physical output associated with green (or blue) economic activities. Growth can be estimated as the percentage growth of

physical output, based on the following formula, which divides the difference between the present output and the past output by the past output, multiplied by one hundred:

Percentage growth = ((present output – past output) / past output) x 100

For instance, this could refer to improved crop yield resulting from a climate-smart agriculture intervention.

Baseline: The baseline of this indicator is reported to CIF as zero (0) (although if relevant, non-zero values of baseline output may be collected for future calculations).

Expected Results: The target value for economic growth depends on the targeted sector or industry and is determined by the MDBs based on a defined methodology. One possible approach is to set an expected average or net value of economic growth to be reached by the end of the project.

Achieved Results: Results are reported annually, covering a period from January 1 to December 31 of the preceding year. All green growth reporting should be based on real observed results (as opposed to ex ante estimations).

Disaggregation:

Monitoring and reporting for the indicator should be disaggregated by the type of landscape or ecosystem.

Type of landscape/ecosystem refers to the various land-based physical environments in which NPC interventions are expected to take place. These include:

- Terrestrial forests
- Terrestrial non-forests (e.g., rural agricultural areas, grasslands, deserts, etc.)
- Coastal or marine areas (e.g., coastal floodplains, mangroves, wetlands, reefs, etc.)
- Freshwater areas (e.g., inland lakes and rivers)
- Urban/peri-urban areas (e.g., cities, suburbs, urban-rural transitional zones, etc.)[44]

Other Considerations:

Potential indicators for capturing other aspects of green growth may include (OECD 2023; World Bank 2013; European Environmental Bureau 2019):

- Environmental and resource productivity of the economy (e.g., carbon productivity, non-energy material productivity)
- Natural assets, including biodiversity (e.g., natural resource index, land cover and use)
- Environmental quality of life (e.g., access to basic services, population exposure to air pollution)
- Economic opportunities and policy responses
- Difference between the growth rate of the economy (or a given sector) in GDP and the growth rate of associated harmful environmental impacts (i.e., relative decoupling)

Data Sources:

National and sub-national statistics, IPs, and MDBs' project estimates

References:

See References.

NPC Co-Benefit 2: Just Transition

Example Indicator for NPC Co-Benefit 2: Indicators or results analyses that relate to social inclusion or distributional impact dimensions of a just transition

Unit of Measurement: Varies highly; Difficult to measure with standardized indicators

Disaggregation: Varies highly; Gender and Other Vulnerable Groups (whenever the "number of people" is measured)

Reporting Scope and Frequency: Reported annually as a cumulative achieved value against a cumulative target; Additional emphasis on qualitative reporting; Significant potential for more targeted studies and analyses

Alignment with CIF-Level Indicators: Some indicators could feed into CIF Impact Indicator 3 (Beneficiaries)

Overview:

Just transition is a complex concept that considers various aspects of justice (procedural justice, distributional justice, restorative justice, etc.) and the depth of change required to advance justice in response to climate change. Although there is no universally agreed-upon definition of a just transition, the framework proposed through CIF's Just Transition Initiative[45] identifies *social inclusion* and *distributional impact* as two important dimensions to consider, along with the notion of *transformative intent* as a cross-cutting element. These dimensions are illustrated in Figure 3.

FIGURE 3. Framework for Just Transitions

Source: Reproduced from https://justtransitioninitiative.org/about-just-transitions/

Definitions:

Just transition elements should be defined by MDBs in the context of each NPC project.

Methodological Guidance:

Potential just transition-related indicators should be selected with careful attention paid to the social inclusion and distributional impact context of each NPC project. Due to the complex, context-dependent nature of just transitions, results in this area may defy universal measurement approaches, such as standardized indicators. NPC projects are encouraged to focus on one aspect of a just transition, identify a related indicator or results measurement approach, and anchor this selection with an appropriate theoretical framework. Box 7 lists some examples of potential just transition-related indicators.

BOX 7. Framework for Just Transitions

Social Inclusion:

Measuring meaningful engagement with and empowerment of relevant stakeholders (including labor, business, civil society, women's organizations, Indigenous Peoples and local communities, and different levels of government) at national, sub-national, and local levels of government

- Categories of stakeholders involved (including percentage of labor and vulnerable community members relative to the project)
- Number of agreements reached with stakeholders in the context of NPC and just transition processes

Distributional Impacts:

Measuring a range of potential positive and negative impacts on workers and communities that require identification, tracking, and redress

- Potential social and economic development impacts identified and tracked during project development and implementation
- Potential impacts (beyond education and skills development) identified and mitigated during project implementation

Measuring ways to create, provide, or support access to sustainable and decent employment through a just transition lens

- Number (and proportion) of net job opportunities directly created that are sustainable and decent

Measuring the proactive identification of existing and anticipated future skills and training gaps in the context of nature-based solutions

- Number of people (men/women) trained for employment related to nature-based solutions
- Number of workers or community members (men/women) who find employment (or achieve promotions) based on training provided by NPC projects

Disaggregation:

Reporting on just transition-related indicators should be disaggregated by: (i) Gender (men/women) and (ii) Vulnerable Social Groups, whenever measuring the number of people. Other types of disaggregation should be applied at the discretion of MDBs.

Other Considerations:

Just transition elements may be further assessed through evaluative approaches, studies, and learning activities. Please refer to NPC's Maximizing Transformational Impact toolkit and the Just Transition Planning Toolbox for more detailed guidance.[46]

Data Sources:

Project-level tracking, local labor or employment databases, economic studies, social impact assessments, and process-related data from stakeholder engagement activities

References:

See References.

NPC Co-Benefit 3: Governance, Policy, and Planning

Example Indicator for NPC Co-Benefit 3: Effective governance mechanisms with (policy and planning) coherence across sectors

Unit of Measurement: Varies (e.g., number of governance coordination mechanisms, number of coherent policies or sectors, degree of alignment)

Disaggregation: National vs. Sectoral vs. Local (if relevant)

Reporting Scope and Frequency: Reported annually as a cumulative achieved value against a cumulative target; Additional emphasis on qualitative reporting

Alignment with CIF-Level Indicators: Corollary to PPCR Core Indicator 2; REI Co-Benefit 3

Overview:

NPC Co-Benefit 3 aims to address the extent to which **social, environmental, and economic considerations related to NPC projects are integrated into policies and planning processes** both vertically (i.e., locally, sectorally, and nationally) and horizontally (i.e., harmonization across sectors, plans, or strategies at a similar level). For example, this may include the degree of alignment between NDCs, national policies and development strategies, and NPC investment plan or project-level approaches. It can also cover areas, such as improved development, enhancement, enforcement, and compliance with policies, laws, and other regulatory mechanisms; incentive programs that encourage sustainable natural resource management and conservation in forests, landscapes, coastal zones, and marine ecosystems; and the extent to which other sectors were analyzed and representatives consulted during the development of NPC investment plans and projects.

Definitions:

An *effective governance mechanism* refers to any instrument that advances planning, policymaking, enforcement, or compliance in line with overall governing objectives. For the purposes of coordination, this can be a convening platform or approach bringing sectors or stakeholders together. The practical manifestation of this typically varies based on each country's unique policy ecosystem and governance context.

Policy and planning coherence refers to two or more policies, plans, or related processes that identify synergistic objectives, activities, and considerations. To qualify as coherent, the two or more policies, plans, or processes should not contradict each other on any matters related to the social, environmental, and economic considerations addressed through NPC.

Degree of alignment may consider quantitative alignment, such as the measurable contributions of a specific project's expected results toward larger scale policy objectives. An example can be a sustainable forestry project, which is expected to reduce deforestation over 100,000 hectares (e.g., 1% of national deforestation), aligning to the country's national REDD+ goal in net and percentage terms. It may also consider qualitative alignment, such as an assessment of how synergistic the key objectives, activities, and considerations of two or more policies, plans, or processes are in practice.

Methodological Guidance:

MDBs should identify an appropriate indicator, target, and methodology for each project reporting on this co-benefit. For example:

- The number of relevant governance mechanisms existing could be counted at baseline and at project completion and reported as a simple output indicator
- The number of sectors, policies, or plans deemed coherent could be counted at baseline vs. project completion
- The quantitative degree of alignment should be defined in a context-specific manner, for example, as the proportion of a national goal to which an NPC project result is expected to contribute.

Disaggregation:

Monitoring and reporting for this indicator should be disaggregated by level of coherence: National vs. Sectoral vs. Local.

Other Considerations:

In general, approaches for NPC Co-Benefit 3 should be complemented with qualitative narrative reporting that assesses the coherence achieved within the project's context.

The effectiveness of governance mechanisms and the coherence of policies and planning can be further assessed above the project level, for example at the level of the NPC investment plan. Effectiveness and coherence can be considered as part of the multi-stakeholder review mechanism (see Section 4.1) or assessed through other evaluative approaches, studies, and learning activities (see Maximizing Transformational Impact).[47]

Data Sources:

National government regulations on relevant sectoral or national policies, NDCs, and NPC investment plans

References:

See References.

NPC Co-Benefit 4: Land Tenure, Rights, and Access[48]

Example Indicator for NPC Co-Benefit 4: Number of people supported by NPC with improved land tenure, property rights, or access

Unit of Measurement: Number of people (either directly affected or who are part of a group that is directly affected)

Disaggregation: Gender; Vulnerable Groups

Reporting Scope and Frequency: Reported annually as a cumulative achieved value against a cumulative target; Additional emphasis on qualitative reporting

Alignment with CIF-Level Indicators: Corollary to FIP Theme 2.3

Overview:

NPC Co-Benefit Indicator 4 aims to demonstrate the program's contribution toward a clearly defined **system of land tenure, property and resource rights, access to land and resources, and benefit-sharing among different stakeholder groups.**

The land tenure rules that govern the use, control, and transfer of land and natural resources in some NPC countries may be complex and informal. These obstacles can make it difficult for vulnerable people to secure their rights to access land and resources, causing significant impacts on livelihoods, food security, and sustainable development. Women and Indigenous Peoples in particular may face tenuous access to land and natural resources due to a lack of formal rights, limited control over usage, weak decision-making authority, and customary inheritance practices. Such obstacles can increase the vulnerability of local communities and decrease their adaptive capacity, sometimes even leading to conflicts over land use, displacement, and loss of livelihoods (IPCC 2019). These issues can be critical for incentivizing and empowering local communities to use natural resources sustainably in line with the overall objectives of NPC.

Definitions:

The Food and Agriculture Organization (FAO) defines *land tenure* as the "relationship, whether legally or customarily defined, among people, as individuals or groups, with respect to land" (FAO 2002).[49] An analogous definition can also be applied to the relationship among people with respect to water resources (Hodgson 2016). In general, land tenure rules define rights related to land use, control, and transfer, and how resources are allocated within societies (CIF 2018).

Land and resource *rights and access* refer to the ability of specific people, groups, or individuals, to own, control, use, or peacefully enjoy land or natural resources. For example, the principle of *benefit-sharing* can be advanced through legal or regulatory frameworks that enable individuals and communities, especially Indigenous Peoples and women, to own, control, use, and peacefully enjoy their lands, territories, and other resources over time (CIF 2018).

For the purpose of reporting on NPC Co-Benefit Indicator 4, specific terminology is applied at the discretion of MDBs. Any MDB-approved indicator related to land tenure, rights, and access may be proposed for reporting under this co-benefit.

Methodological Guidance:

Baseline: The baseline is to be estimated during the project design from data available on the current land tenure, rights, and access rates or conditions prior to NPC investment.

Expected Results: The target value for this example indicator should estimate the number of additional people with improved or increased land tenure, rights, or access, as a result of NPC investments. This might be achieved through targeted interventions in this area or through co-benefits gained from other interventions.

Achieved Results: Results are reported annually, covering a period from January 1 to December 31 of the preceding year. Projects reporting on this indicator should track observed changes in land tenure, rights, or access rates or conditions following NPC support and convert this information to the number of people.

Disaggregation:

Monitoring and reporting for this indicator should be disaggregated in two ways: (i) Gender; (ii) Vulnerable Groups, including Indigenous Peoples and local communities, ethnic or racial minorities, youth or elderly persons, persons with disabilities, and lower-income groups.

Other Considerations:

NPC Co-Benefit Indicator 4 may directly relate to results reported under NPC Core Indicator 2 (Land Area), NPC Core Indicator 4 (Policies), NPC Core Indicator 6 (Livelihoods), NPC Co-Benefit 2 (Just Transition), or NPC Co-Benefit 3 (Governance). In other cases, results related to land tenure, rights, and access may arise from distinct interventions not directly captured through other components of the NPC M&R System.

Qualitative reporting on the nature of land tenure, rights, and access improvements is also an important element for capturing this result area.

Data Sources:

Land tenure policies, national repositories, forest maps and cadasters, national forest monitoring systems, stakeholder meetings, consultations, and other relevant information

References:

See References.

NPC Co-Benefit 5: Biodiversity

Example Indicator for NPC Co-Benefit 5: Increased score of a recognized biodiversity index

Unit of Measurement: Biodiversity index score[50]

Disaggregation: Type of Landscape or Ecosystem

Reporting Scope and Frequency: Reported annually as a cumulative achieved value against a cumulative target; Additional emphasis on qualitative reporting

Alignment with CIF-Level Indicators: Corollary to FIP Theme 2.1

Overview:

NPC Co-Benefit Indicator 5 focuses on biodiversity and ecosystem services as an integral aspect of the program's overall objective to achieve sustainable land and resource management alongside direct climate action. Nature-based solutions and related NPC approaches may contribute directly to the **enhancement of biodiversity, the prevention of biodiversity loss, natural restoration or rehabilitation, and improved ecosystem services** for land health and resilience. Examples include water purification and nutrient cycling in forests, pollination for agriculture, and increased coastal protection from mangroves and sea grasses.

Definitions:

The UN Convention on Biological Diversity (CBD) defines biodiversity as "the variability among living organisms from all sources, including, inter alia, terrestrial, marine, and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, among species, and of ecosystems (United Nations 1992). Biodiversity builds on the notions of *abundance* and *richness* of local species typical for an ecosystem or biome, where abundance describes the number of individuals of a species present in a specific area and richness accounts for the number of species within a specific area.[51]

Biodiversity can also relate to the diversity of associated *ecosystem services*, i.e., any ecosystem function that is demonstrably beneficial to humankind. For example, forests provide many ecosystem services, such as regulating air and water quality, stabilizing local climates, protecting soil, ensuring adequate pollination, controlling floods, and enhancing resilience to climate stress (CIF 2018; United States Environmental Protection Agency n.d.).

For the purpose of reporting on NPC Co-Benefit Indicator 5, specific terminology is applied at the discretion of MDBs. Any MDB-approved indicator related to biodiversity may be proposed for reporting under this co-benefit.

Methodological Guidance:

There is no universal methodology to assess the complexity of biodiversity. Assessing biodiversity varies depending on the taxonomy of interest, genetic variability, species richness within an ecosystem, ecosystem function(s), geographic area, and other factors.

Due to this complexity, an *index approach* is often used.[52] Many tools and approaches that combine multiple variables and data sources for biodiversity threat assessment and tracking of results are publicly available. For example:

- A simplified *biodiversity index* can be calculated by dividing the species' richness by the species' evenness in a defined area. The result provides a number between zero (0) and one (1), where "0" indicates a low biodiversity and "1" indicates a high biodiversity.
- The *Species Threat Abatement and Restoration (STAR)* metric assigns a STAR score to estimate the potential contribution of threat abatement and habitat restoration interventions to reduce the extinction risk of species categorized as near-threatened and threatened (IUCN n.d.).
- The *Integrated Biodiversity Assessment Tool (IBAT)* is helpful for screening biodiversity risk, developing targets and action plans, and tracking the progress of projects (UNEP - WCMC n.d.).
- The *Biodiversity Intactness Index (BII)* draws from a combination of land use, ecosystem, species, and population data to attribute a value for biodiversity "intactness" within a specific geographic area (Scholes et al. 2005).
- The *Biodiversity Integrated Assessment and Computation Tool (B-INTACT)* quantifies the biodiversity impact of various investments at project- and policy-level based on the Global Biodiversity model and Ecosystem Services Valuation Database (ESVD).
- The *Mean Species Abundance* (MSA) can help projects determine the level of species' loss or intactness with zero (0) representing complete species loss and one (1) representing complete species intactness (FAO n.d.; FAO 2020).

Other approaches to measuring biodiversity results could include the use of *biodiversity proxies.* For example, projects could elect to track the extent of natural ecosystems, or the area of land (ha) where biodiversity is protected, enhanced, or loss avoided (related to information reported under NPC Core Indicator 2 (Land Area)). Alternatively, projects could elect to measure specific aspects of biodiversity, such as the number of species supported in a given area, or the ecosystem service benefits of avoided biodiversity loss (UN COP to Convention on Biological Diversity 2022).

Baseline: The application of a recognized biodiversity index can be especially useful as a screening tool during project design and appraisal. In general, the baseline value should be estimated as a specific score by applying the model or formula to the selected geography prior to NPC intervention.

Expected Results: The target value for this indicator should be estimated by applying the model or formula again using the ecological conditions expected by the end of project implementation. This may relate to the expected richness and abundance of species by project completion, functional conditions of the ecosystem, the projected biodiversity impact of evolving supply and value chains, or the expected future intactness of the ecosystem.

Achieved Results: Although new data may not become available for biodiversity indices on an annual basis, all results updates are reported annually, covering a period from January 1 to December 31 of the preceding year. Projects can report updated biodiversity results based on primary collection of species samples, if available. Where such data are not available, projects can report achieved results as estimations based on updated data inputs to models or formulas that directly reflect the associated changes from the NPC interventions that have been physically implemented.

Disaggregation:

Monitoring and reporting for the indicator should be disaggregated by the type of landscape or ecosystem.

Type of landscape/ecosystem refers to the various land-based physical environments in which NPC interventions are expected to take place. These include:

- Terrestrial forests
- Terrestrial non-forests (e.g., rural agricultural areas, grasslands, deserts, etc.)
- Coastal or marine areas (e.g., coastal floodplains, mangroves, wetlands, reefs, etc.)
- Freshwater areas (e.g., inland lakes and rivers)
- Urban/peri-urban areas (e.g., cities, suburbs, urban-rural transitional zones, etc.)[53]

Other Considerations:

Qualitative reporting on the nature of improved biodiversity (or avoided loss of biodiversity) is also an important element for capturing this result area.

Data Sources:

Primary data collection (e.g., species sampling, camera trapping monitoring, remote sensing, field surveys), computational models (e.g., B-INTACT or BII), national or regional repositories on biodiversity information, international databases, local third-party sources, or other estimates

References:

See References.

NPC Co-Benefits: Other

Examples of Other Co-Benefits: MDBs may propose any other co-benefit indicator that tracks social, economic, or environmental results beyond the scope of NPC's primary objectives.

Example(s): Reduced gender gaps; Adoption of sustainable practices by consumers and end-users; Reduced inequality; Reduced pollution; Improvements in health

Unit of Measurement: Varies highly (e.g., number of people, number of end-users, number of physical assets, disease incidence or prevalence, Air Quality Index, etc.)

Disaggregation: Varies; Gender and Other Vulnerable Groups (whenever the number of people is measured)

Reporting Scope and Frequency: Reported annually as a cumulative achieved value against a cumulative target; Additional emphasis on qualitative reporting

Alignment with CIF-Level Indicators: Corollary to possible co-benefits in FIP and other CIF programs; Potential to feed into CIF Impact Indicator 2 (Adaptation) and CIF Impact Indicator 3 (Beneficiaries)

Overview:

Because of the diverse range of social, economic, and environmental interventions that NPC is designed to support, NPC projects stand to provide a wide range of potential co-benefits beyond the primary objectives of the program. MDBs are encouraged to identify and report on their own co-benefit indicator for NPC projects, if and when additional important development impacts are expected to be achieved, especially those not well-captured by the core indicators or proposed co-benefit indicators. Some examples may include reduced gender gaps; increased adoption of sustainable practices by consumers through improved supply and value chains; reduced economic inequality through strengthened livelihoods; health improvements related to improved food and water security, nutrition, and ecosystem services; evidence of disaster risk reduction; and more.

Definitions:

For the purpose of reporting on NPC Co-Benefit Indicator 5, specific terminology is applied at the discretion of MDBs.

Methodological Guidance:

Any MDB-approved indicator related to other social, economic, or environmental co-benefits may be proposed for reporting under this co-benefit, including the scope of results and methodology. The use of internationally recognized tools and approaches is encouraged whenever possible.

Disaggregation:

Whenever the number of people is measured, monitoring and reporting should be disaggregated by: (i) Gender, and (ii) Vulnerable Groups (if feasible), which may include Indigenous Peoples and local communities, ethnic or racial minorities, youth or elderly persons, persons with disabilities, lower-income groups, or others.

Other Considerations:

Qualitative reporting is an important element for capturing many proposed co-benefits and development impacts. Its use is strongly encouraged to monitor the nature of results achieved. Co-benefit areas that are especially relevant to the context of a country's NPC investment plan can also be assessed in more detail during the country's multi-stakeholder IP review mechanism (see Section 4.1) For example, participatory approaches can

be used to better understand the views of and impacts on various NPC stakeholder groups vis-à-vis the targeted development co-benefit result.

Additional potential results areas for which co-benefit indicators can be identified and tracked by NPC projects include:

- Poverty reduction
- Macroeconomic improvements
- Strengthened regional development and/or integration
- Women's empowerment, voice, and agency
  - Increased female participation in community-led natural resource management
  - Increased knowledge and skills of women in sustainable natural resource management practices
  - Reduced time poverty for household tasks or drudgery
- Enhanced participation and empowerment of marginalized groups
- Additional facets of climate resilience and adaptation (not central to NPC)
  - Increased climate resilience of/through grey infrastructure
  - Integration of hydrometeorological data and early warning response measures into businesses' supply and value chains
  - New or improved disaster resilience mechanisms
- Enhanced human capital through improved health or education
- Improvements in peacebuilding or social cohesion in areas affected by fragility or conflict

Data Sources:

Project-level M&E systems and secondary data sources

3.5 NPC Optional Indicators (Category 5)

NPC optional indicators are monitored and reported at the **project level**, based on MDBs' own M&E systems. They are intended to capture probable results expected to be achieved through the NPC program and may be useful for MDBs to incorporate in their project-level results frameworks on a project-by-project basis (although this is not required). CIF analyzes the project results frameworks for all NPC projects at MDB Board approval phase and identifies which, if any, NPC optional indicators are reflected in the MDB-approved project results framework. Upon agreement from the MDB, the selected optional indicator(s) are uploaded to the CCH alongside the core indicators for results reporting.

Optional indicators are reported by **MDBs** on an annual basis using the information already available in their own project-level M&E systems. Projects that have not incorporated any of the NPC optional indicators do not require any further action during annual reporting.

Some NPC optional indicators are situated at the outcome level and are closely linked to certain NPC core indicators (i.e., NPC 2, NPC 3, NPC 4, NPC 6, and NPC 9) in terms of the results areas that they aim to capture. However, not all NPC core indicators have corresponding optional indicators. Most NPC optional indicators are situated at the output level, as they relate to the short-term intervention results of discrete projects. Box 8 comprises a full set of NPC optional indicators.

BOX 8. NPC Optional Indicators

OUTCOME LEVEL:

NPC Optional 1: Value of ecosystem services generated or protected in response to climate change (USD)

NPC Optional 2: Number of climate-responsive market linkages improved or expanded (#)

NPC Optional 3: Number of people from targeted institutions and communities trained in climate-responsive measures (women and men) (#)

NPC Optional 4: Number of sub-national budgeting processes supported that have integrated climate/land-use[54] considerations (#)

NPC Optional 5: Value of climate-responsive subsidy reforms implemented (USD)

NPC Optional 6: Increase in annual mean household income/consumption (USD per year)

NPC Optional 7: Reduction in moderate or severe food insecurity (# and %)

NPC Optional 8: Number of innovative products, services, technologies, and processes that have entered a new market context (#)

OUTPUT LEVEL:

NPC Optional 9: Number and type of solutions deployed in agriculture and food systems (#)
For example:

- Climate-smart agricultural techniques (agroforestry, intercropping, etc.)
- Climate-smart agricultural technologies (remote sensing, drought resilient seeds, etc.)
- Post-harvest storage systems
- Prevention and management systems for extreme weather events
- Innovative food products with nutritional value and decreased carbon footprint
- Other nature-based solutions

BOX 8. NPC Optional Indicators

OUTPUT LEVEL:

NPC Optional 10: Number and type of solutions deployed in forests and other ecosystems (#)[55]
For example:

- Reforestation/forest restoration
- Sustainable timber value chain development
- Support to forestry companies
- Restoration of high-carbon ecosystems
- Community-based natural resource management systems
- Creation of enterprises employing nature-based products and services
- Other nature-based solutions

NPC Optional 11: Number and type of solutions deployed in coastal systems (#)[56]
For example:

- Restoration or afforestation of coastal wetlands/mangroves
- Watershed and reservoir management systems
- Protection or rehabilitation of reefs and marine areas
- Early warning systems for coastal communities
- Other nature-based and ecosystem-based solutions for restoration, protection, or livelihoods

NPC Optional 12: Number of policies, regulations, codes, standards, or community-led plans related to climate-responsive land and ecosystem management that have been supported (#)[57]
For example:

- Policy and regulatory enhancements to align with pre-existing mechanisms at community, local, district, sub-national, national, regional, or transboundary levels
- Land and natural resources management frameworks
- Land-use institutional and governance systems
- Land-use policy and regulation (direct)
- Public budgeting

NPC Optional 13: Number of private-sector and/or community-based business models or financing modalities piloted (#)

NPC Optional 14: Number of people provided with direct access to finance for project development (#)

3.6 NPC Project-Specific Indicators (Category 6)

The NPC M&R System is designed to track project-specific indicators selected by the MDBs to monitor the goals, outcomes, and outputs of individual NPC projects, based on their approved project-level results frameworks. CIF does not provide any suggested list of project-specific indicators. These indicators are entirely driven by the MDBs in a decentralized fashion. The CIF Secretariat's role is to review all NPC projects' MDB-approved results frameworks with the aim to identify, harmonize, and capture commonly reported indicators that can complement the results reported through the core indicators and other indicator categories. The approach also helps to highlight notable achievements from individual projects as part of the annual results reporting process.

The **MDBs** should supply the CIF Secretariat with the full project-level results' frameworks of individual NPC projects at MDB Board approval. The most recently available progress reports or implementation status reports generated by the MDBs through their own project supervision protocol should also be submitted during each annual reporting period.

Identification and analysis of commonly reported indicators may take place at various stages of the program's lifetime, as new projects come onboard and the effectiveness of capturing results via the core indicators is iteratively reassessed.

4. OTHER KEY FEATURES OF NPC M&R AND RELATED RESULTS APPROACHES

NPC uses multiple, complementary approaches to monitor, evaluate, generate evidence, and learn from aspects of the program that are not easily captured through indicators. Many of these approaches are based on targeted and demand-driven research, analytics, or stakeholder engagement activities, which various teams in the CIF Secretariat oversee in close coordination with MDBs.[58] The following descriptions provide a non-exhaustive overview of several key approaches, emphasizing their relationship to the NPC M&R System.

4.1 Multi-Stakeholder Review Mechanism for Investment Plans

Multi-stakeholder review mechanisms are an important tool for NPC recipient countries to utilize as part of their NPC M&R approach. They enable recipient countries to monitor and self-assess progress made on their investment plans with a diverse group of NPC stakeholders. Mechanisms include national workshops, South-South learning events, joint discussion of progress on the NPC country impact indicators, or other modalities. CIF encourages countries to deploy this flexible mechanism at least three times over the course of the investment plan's implementation period (approximately at baseline, mid-term, and end-line of the full investment plan). CIF also aims to support recipient countries to implement the mechanism, in coordination with MDBs, on a demand-driven basis. Approaches may be customized per country and combined with evaluative approaches and learning-oriented activities, such as those described in NPC's Maximizing Transformational Impact toolkit.

Multi-stakeholder review mechanisms should be inclusive, with equitable participation of men and women, representation from civil society organizations (including organizations representing women), and participation from other vulnerable groups. The content discussed through these mechanisms should take into account the differentiated impacts of NPC projects on men vs. women and vulnerable groups, as well as stakeholder differences in needs and expectations of NPC by gender and other groups. Gender and social inclusion should be considered cross-cutting themes to be addressed throughout workshop discussions (or otherwise in the content of the selected mechanism).

4.2 Signals and Dimensions of Transformational Change

If feasible, recipient countries and MDBs are encouraged to incorporate the signals and dimensions of transformational change, including just transition elements, into aspects of their monitoring and reporting on NPC results. This can take place during the implementation of the multi-stakeholder review mechanism (see Section 4.1), as part of narrative reporting (see Section 4.6), or through other avenues. A comprehensive description of transformational change and related guidance are available in the NPC Maximizing Transformational Impact toolkit.

4.3 Gender and Social Inclusion Results and Analytics

NPC results related to gender and social inclusion are captured through an array of mechanisms that collectively build a body of evidence on progress toward the objectives of CIF's Gender Action Plan.

First, within the NPC M&R System, all indicators measuring the "number of people" are required to be gender-disaggregated. This enables CIF Secretariat and MDBs to better track projects' contribution toward reducing gender gaps, to assess potential gender-differentiated outcomes, and to monitor the overall distribution of results achieved over time.

Second, MDBs have the option to include gender- and social inclusion-related indicators as part of their co-benefits reporting (see Section 3.4). These may be incorporated as a part of the social inclusion dimension using a just transition lens or as a separate gender-related indicator proposed by the project and identified by the MDB and monitored at CIF level over time.

Third, the CIF Gender Team and MDBs review the full project results frameworks of NPC projects at MDB Board approval with the aim to identify gender- and social inclusion-related indicators. Based on this exercise, the indicators identified are extracted and entered into the CCH Gender module for CIF to track and analyze NPC's annual progress on the CIF Gender Action Plan(s) throughout program implementation. The indicators should be linked to any gender gaps identified in the gender analysis and project activities should be designed to address those gaps. The reporting is carried out through the Gender Module of the CCH portal. The CCH Gender Module also records information on analyses of gender gaps and gender-focused project activities.

Encouraging projects to develop a gender action plan built on the social inclusion and gender analyses undertaken at the design stage can be an effective strategy for MDBs to monitor gender-related results and ensure that gender-related considerations are explicitly embedded in project design and implementation. NPC projects should select gender indicators for which information is likely to be available and affordable to collect, using various data sources and methodologies to set baseline and target values for both gender-disaggregated and gender-specific indicators. This approach promotes the inclusion of such indicators in projects' results framework, enabling the CIF-level approach to extract and track such information.

In addition to collecting quantitative data points, qualitative approaches at the project level are also critical tools to analyze the gender issues affecting projects. NPC projects may often need to capture gender-related information through focus groups, in-depth interviews, key informant interviews, and other qualitative methods. Teams should be prepared to adjust project implementation if monitoring reveals that women, men, boys, and girls do not benefit equally or as expected from activities, or if there are harmful effects on women, men, boys, or girls. Project teams are also encouraged to report on lessons learned on gender in project progress and completion reports, as well as to explore opportunities for more in-depth studies on the gendered impact of the

projects. For example, mixed-method evaluations can be an effective tool to capture gender-related results, such as changes in norms, attitudes, and behaviors resulting from women and girls' economic empowerment.

The CIF Gender Team is available to support MDBs and country teams based on demand and to provide targeted technical support on gender equality and social inclusion issues, such as inputs to analytical products exploring gender gaps, assessment of gender results, and capacity building events. In addition, the team facilitates meetings of the CIF Gender Focal Points Working Group to discuss challenges and opportunities related to gender integration in NPC and enable peer support.

Finally, NPC recipient countries are encouraged to incorporate deeper dive analyses of gender and social inclusion issues as part of their multi-stakeholder review mechanism for investment plans conducted around the beginning, mid-term, and end of country investment plan implementation (see Section 4.1).

4.4 Modeling

The CIF Secretariat utilizes economic modeling tools, such as the Joint Impact Model (JIM),[59] Employment Factors, and the International Jobs and Economic Development Impacts (I-JEDI) model to estimate the larger social and economic impacts of its investments. For land- and nature-related investments, CIF mostly employs the JIM model, which yields estimations of the direct, indirect, and supply chain impacts of investments on jobs, as well as economic value addition from project investments.

Further model enhancements led by CIF aim to enhance the granularity and accuracy of estimates and expand knowledge on distributive impacts and the quality of jobs created. Although primarily focused on the energy sector at present, they cover aspects such as:

- Direct and Backward Effects (i.e., improving the ex-ante estimation of direct and backward supply-chain and induced effects)
- Forward Effects (i.e., improving estimates of power-enabling or forward effects)
- Distributive Impacts (i.e., investigating opportunities to calculate distributive impacts)

Based on demand, MDBs and recipient countries are encouraged to exploit modeling tools—including through coordination and collaboration with the CIF Secretariat—to enrich their estimations of total expected results from NPC projects.

4.5 Sustainable Development Goals (SDGs)

The CIF Secretariat catalogs NPC through the lens of the SDGs by mapping each NPC project to the SDGs that relate to its objectives and expected outcomes. These include SDG 1: No Poverty; SDG 2: Zero Hunger; SDG 5: Gender Equality; SDG 8: Decent Work and Economic Growth; SDG 9: Industry, Innovation and Infrastructure; SDG 13: Climate Action; SDG 14: Life Below Water; and SDG 15: Life on Land. This enables the program to estimate how much of its total financing is contributing toward these SDG objectives, and as implementation progresses, to triangulate achieved results with the related SDGs.

4.6 Narrative Reporting

MDB project implementation narrative reporting is an important aspect of the NPC M&R System. In addition to the narrative reporting that complements quantitative data for some of the core indicators (e.g., NPC 4, NPC 8, and NPC 9), MDBs should submit their own recent supervision reports (redacted where necessary) to the CIF Secretariat alongside their annual submission of quantitative results data. The NPC M&R System makes further use of MDB operational reporting in the CCH that MDBs already undertake as part of CIF's portfolio management function (i.e., qualitative reporting on implementation updates). These types of narrative data help strengthen interim monitoring at the portfolio level before longer-term outcomes and impacts can be realized.

NPC recipient countries are encouraged to share narrative reporting at the Investment Plan level with the CIF Secretariat on an annual basis, or when feasible. This can include national reports and other documents related to NPC that are already being produced by the country (which can be uploaded directly to the CCH), as well as direct text inputs to the CCH alongside recipient country reporting on country impact indicators.

4.7 Relationship of M&R to Program Evaluation

Per the CIF MEL Policy and Guidance document, the program evaluation function is separate from—and complementary to—the NPC M&R System.[60] In general, the CIF-wide Evaluation and Learning (E&L) Initiative covers the NPC program alongside other CIF programs. Three different modalities are expected to be used to conduct NPC-related evaluations and studies: (i) Commissioning of independent evaluation firms or individuals, in line with CIF procurement policies; (ii) CIF Secretariat-led evaluative studies; and (iii) CIF partner-led studies, including from MDBs and recipient countries (CIF 2022b, pg. 10-13, pg. 19-21).

An NPC program-level mid-term evaluation is expected to occur approximately five to seven years into the program's implementation, when deemed appropriate and subject to approval from NPC's governing TFC. A program-level, end-of-term evaluation is expected to occur approximately 8 to 12 years into the program's implementation, also when deemed appropriate and subject to approval from NPC's governing TFC.

Results data and other information generated through the NPC M&R System are expected to help build an evidence base that can be used for and as part of NPC-related evaluations and studies. See Maximizing Transformational Impact. for a comprehensive description and guidance on evaluative approaches relevant to NPC at the program level.

4.8 Capacity Building and Learning

Support for NPC M&R-related capacity building is available upon demand from the CIF Secretariat, in close coordination with MDBs. For instance, NPC recipient countries can undertake the multi-stakeholder review mechanisms for investment plans (see Section 4.1) without any CIF Secretariat involvement, with limited CIF Secretariat involvement, or direct CIF guidance and capacity-building support for investment plan review. This mechanism is also an opportunity for a broad range of local stakeholders to strengthen their awareness and build capacity in M&R for climate-responsive sustainable land and natural resource management, in addition to the country focal point and project implementation teams who are typically involved in the M&R process.

Additional analytics and learning activities related to NPC results are expected to occur through a variety of channels over the implementation lifetime of the program. These may include aspects related to gender, stakeholder engagement, development impacts, just transition, thematic or sub-sectoral deep dives, project delivery case studies, or other activities. Such activities are selected on a demand-driven basis in close coordination with MDBs.

5. REPORTING DEFINITIONS AND GUIDELINES

5.1 Reporting Definitions

The NPC M&R System sets targets and tracks results based on the whole of projects implemented. *As a result of NPC* refers to the effects of interventions and activities funded by NPC, as well as those leveraged by the co-financing reported under NPC Core Indicator 5. Typically, this refers to singular projects or programs structured through blended finance (CIF + MDB + other potential co-finance).

The expected *reporting closure date* is the date when the MDB expects final, end-line results data points to become available for all approved project indicators. This can vary per MDB and may occur at financial closure, around physical completion of project implementation, or upon submission of a project completion report. MDBs may have different terminology and parameters for establishing this date. The date can also vary between public and private sector operations and can be modified if projects are extended, restructured, or terminated.

The *reporting year* for CIF refers to project performance from January 1 to December 31 of the year before results are submitted. In general, NPC results are submitted by March 15 of the following calendar year from the reporting year, although in some cases, the period reported may differ between MDBs, which have different cutoff dates for their internal results reporting. The NPC M&R System provides flexibility for MDBs' respective reporting protocols while striving for coherent CIF-level reporting to the greatest extent possible.

Stakeholders refer to parties with an interest in a project, including government authorities, the private sector, civil society organizations, Indigenous Peoples and local communities, and other groups at local and country level.

5.2 Baselines, Expected Results, and Achieved Results

Reporting quantitative *baselines* is not necessary for NPC indicators since these values are implicitly set at zero (0). This is because each indicator measures an increase in activities "as a result of NPC interventions." Nonetheless, MDBs may need to conduct their own baseline assessments that will feed into these and other aspects of the NPC M&R System, such as intermediary input calculations for GHG accounting, qualitative reporting, and certain project-specific and co-benefit indicators. The *baseline year* for NPC projects is the year of MDB Board approval.

Expected results refer to the intended results to be achieved by a project by its end-line and are interchangeably referred to as targets. The NPC M&R System does not track annual or mid-term targets. Targets are proposed in project proposal documents at the time of CIF Trust Fund Committee funding approval and are verified or modified at the time of MDB Board approval, alongside the reporting of any additional indicators and targets for project-specific and co-benefit indicators. MDBs and the CIF Secretariat jointly track targets via the CCH. In most cases, the standard target year refers to the year of project closure.[61]

Achieved results are submitted by MDBs via the CCH during the annual results reporting period. They are submitted by March 15 of each calendar year and should cover the preceding reporting year (i.e., January 1–December 31). Data from MDBs' project-level monitoring systems must be used to report actual, observed results, rather than projections or ex-ante estimates.

All documents containing the evidence base for reported results are auditable. These should be uploaded to the CCH under the Supporting Documents tab in the Results section. If a document is marked as *confidential*, only members of the reporting MDB and members of the CIF Secretariat can view it.

5.3 Data Entry and Validation

For each project, MDBs must fill in the CCH sections covering NPC core indicators. MDBs should also report data for the relevant co-benefit indicator(s) and all other indicators agreed to be reported for the corresponding projects, as established at MDB Board approval. A list of these indicators is pre-populated for each reporting period after they are identified and entered into the CCH system during the first year that a project reports.

If a project is co-funded by two MDBs, the MDBs must agree which one will report on the project to the CIF Secretariat. Each project can only have one report (to avoid double-counting project results). If each MDB invests in and implements distinct components of a project, and if each MDB reports only on the components that are directly relevant to their investment, the risk of double counting is avoided. However, in such an instance, the relevant components and targets should be clearly delineated, communicated formally to CIF, and remain congruent with the total targets at the project level.

Project leads within MDBs and MDBs' CIF coordination focal points should review and validate the data before uploading the annual results to the CCH.

The CIF Secretariat is responsible for communicating the annual results reporting deadline to all MDBs during each reporting period. Results data should be submitted by March 15 of each calendar year for the results achieved during the previous year, i.e., the reporting year.

5.4 Outreach and Stakeholder Engagement

MDBs and NPC project teams are encouraged to invite stakeholders in the NPC recipient country to review the annual results of the program before sharing the annual results with the CIF Secretariat.

Results can also be disseminated, discussed, and shared through targeted stakeholder engagement activities, such as the multi-stakeholder investment plan review mechanism, CIF sponsored learning forums, in-country land- and nature-related events, or other platforms.

5.5 Timing of Results Achieved

Given the nature of NPC projects and the fact that all nine of the NPC core indicators are outcome indicators, significant progress may only occur once projects have reached a mature stage of implementation or are completed.

Projects no longer need to report annual results once they have reached completion and have submitted their final results in the CCH, along with a copy of the MDB's project completion report.[62] Cumulative achieved results are deemed final at this time. For NPC projects that are expected to continue yielding results toward lifetime targets following financial completion (for example, ongoing reduced or avoided GHG emissions), the CIF Secretariat and MDBs may use the final year's achieved value as a proxy achievement during future reporting years. If this is not appropriate to the project's context, the CIF Secretariat and MDBs may discuss and agree on another reasonable approach for future reporting years.

6. NAVIGATING THE CIF COLLABORATION HUB

Detailed guidelines on accessing the CCH and its general usage are presented within the CCH Results User Guide, which is available upon request. MDB personnel responsible for results reporting tasks should take the following key steps.[63]

Step 1: Identifying Indicators and Entering Targets for NPC Projects

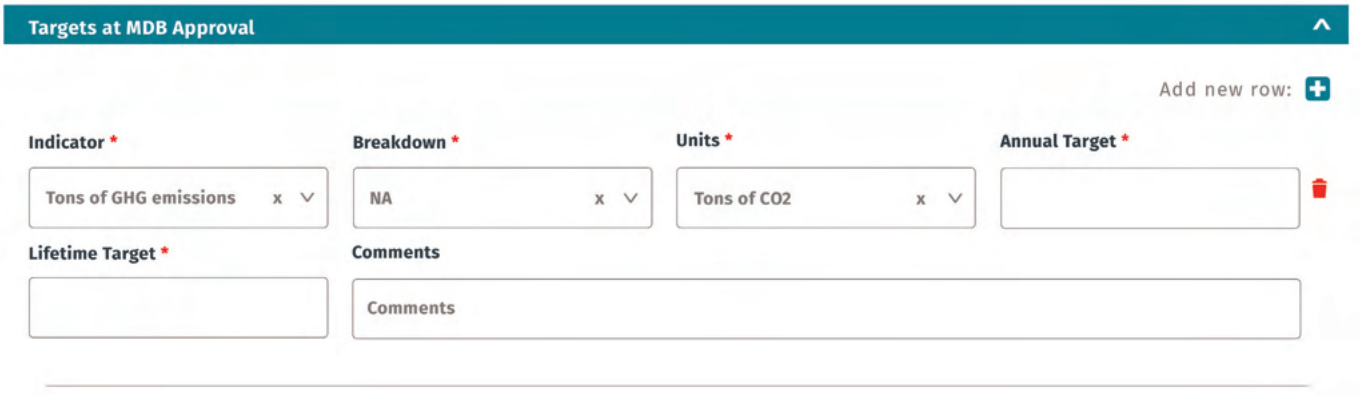
Timeline: Upon MDB Board approval for both public and private sector projects; no later than the first results reporting period to follow the project's MDB Board approval.

Procedure: First, MDBs should provide the CIF M&R Team with the full project results framework, as approved in the project appraisal document (i.e., project design document)[64] at MDB Board approval. Both MDB and CIF M&R teams should review the results framework for each NPC project, consult, and agree on the full list of indicators that are applicable to the NPC M&R System (see Section 2.2).

Once this has been completed, MDBs are responsible for entering the agreed-upon indicators and their targets into the CCH.

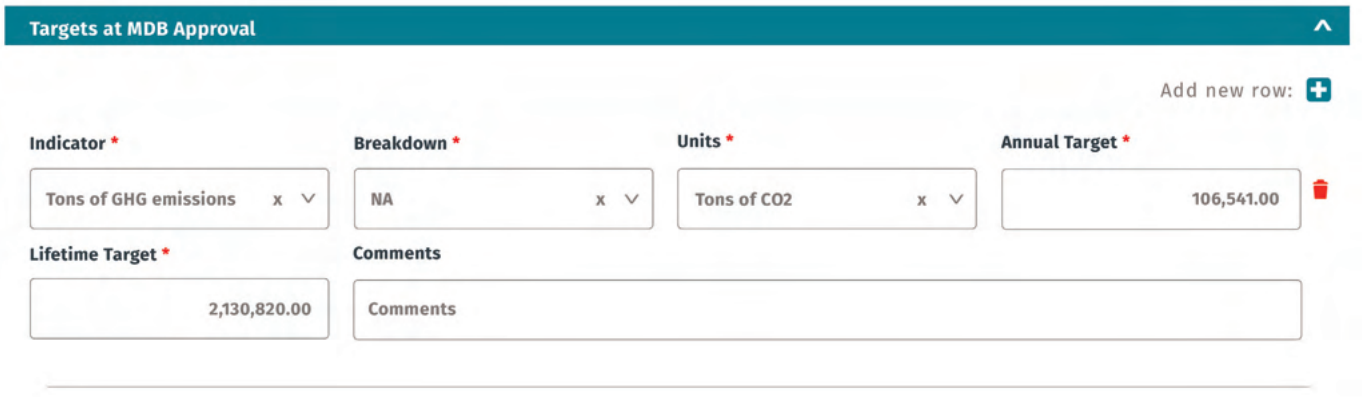
- Users should go to the "Project Portfolio" section of the CCH, identify the project, scroll over the far-left column, and click on "Update Project."
- Users should next identify the "Results" section in the task bar on the left-hand side and click on "Targets." After clicking on the "Targets" link, the user is navigated to the "Targets" screen, as shown in Figure 4.

FIGURE 4. Entering Targets in the CCH



- Users can add indicators per category ("Core Indicator," "Co-Benefit Indicator," "Optional Indicator," and "Project- Specific Indicator," as relevant) and target values on the screen. The "Core Indicator" section is first, followed by the other indicator categories. These indicators can be selected via the dropdown function or entered manually if the indicator identified is not already reflected in the dropdown list.
- Users can enter multiple targets by clicking the "+" sign on the right side of each indicator line.
- Each indicator's required disaggregation populates in the CCH structure once the indicator is selected. Users should select the appropriate disaggregation and populate all targets/sub-targets accordingly.
- When prompted, users should provide additional text or information on the methodology used.
- Users can enter co-benefit indicators and targets in the lower section of the page, as well as indicators from the other categories.
- Users must click "Save" at the bottom of the page once all the targets have been added, and the data entered are submitted in the system (see Figure 5).
- Co-financing data are automatically transferred from the "Financials" tab.

FIGURE 5. Targets Entered in the CCH



Changing Targets: Targets cannot be modified after results have been reported unless a formal restructuring has occurred. If this is the case, MDBs must notify the CIF Secretariat of the change, provide the necessary rationale, and submit the relevant documentation validating the rationale, methodology, and new target value(s). The numbers are then changed by the CCH administrator.

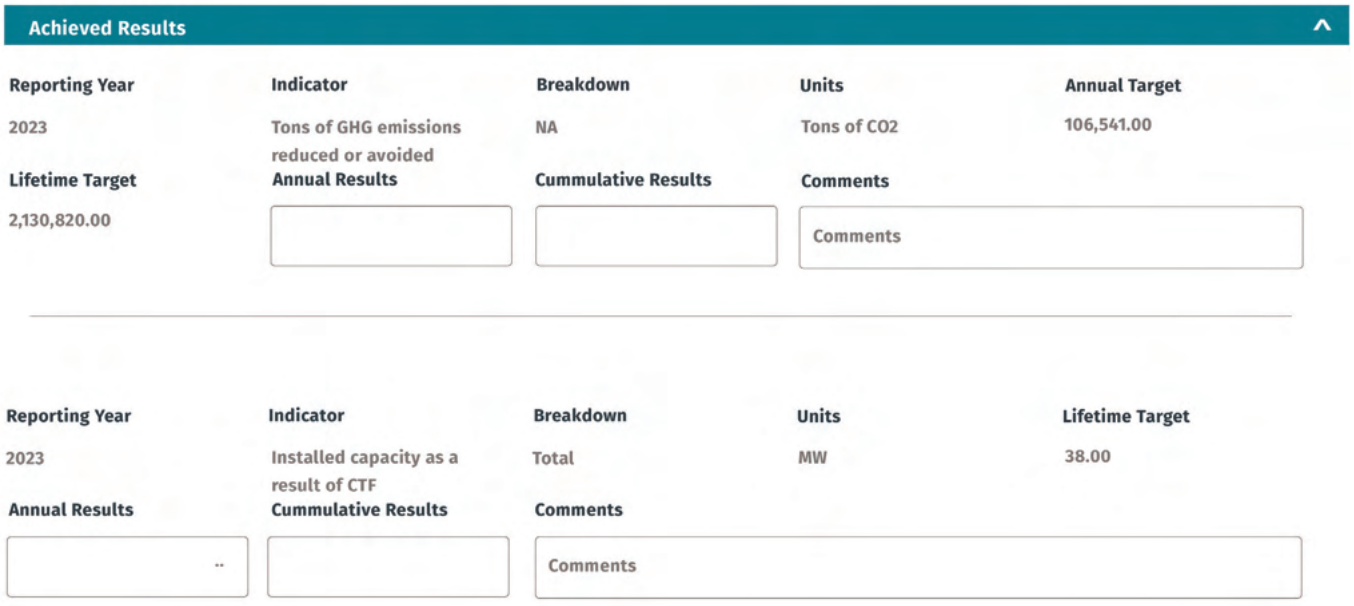
Step 2: Entering Achieved Results for NPC Projects

Timeline: Results must be submitted on an annual basis during the first quarter of the calendar year (i.e., January–March). The submission should cover the annual results achieved during the reporting period from January 1 to December 31 of the previous calendar year, regardless of differing fiscal years among MDBs. Exact reporting deadlines are communicated by the CIF Secretariat and may shift over time (in line with the timing of CIF TFC meetings). At the time of publication, the annual reporting deadline for MDBs is March 15.

Procedure:

- Each year, MDBs should go to the "Project Portfolio" section of the CCH, identify the project to be reported on, and click on "Update Project."
- Users should identify the "Results" section in the task bar on the left-hand side and click on "Achieved Results." After clicking on the "Achieved Results" link under the "Results" section, the user is navigated to the "Achieved Results" screen, as shown in Figure 6.
- The "Achieved Results" screen is available for data entry during the first part of each calendar year. At other times, the screen is in "View Only" mode.
- The core indicators and all related fields are automatically populated from the "Targets" screen to the "Achieved Results" screen.[65] Users are not able to enter new indicators on this screen.
- Users have the option to enter values in either the "Annual" or "Cumulative Results" field; the CCH automatically calculates the values for the other field.[66]
- Users should enter results for all fields per core indicator: both total and disaggregated achieved results.
- Each core indicator line has the option to add comments in case further explanation is required for an achieved result reported.
- Some indicators may prompt the user to enter additional information on the related qualitative results, methodology, or other related information.
- Users must click "Save" at the bottom of the page once all achieved results have been added, and the data entered are then submitted in the system.

FIGURE 6. Entering Achieved Results in the CCH



- Users should follow the same procedure for reporting achieved results on co-benefit indicators, optional indicators, and project-specific indicators.
- These indicators are also automatically populated based on the information entered in the "Targets" tab at MDB Board approval. Users only need to enter the achieved results values for the corresponding reporting year.
- Qualitative results or explanation must be provided for the selected co-benefit indicator(s) and can be provided for other indicators on an optional basis.
- Users must click "Save" after each round of entering new data or text in the CCH.

Changing Achieved Results: Previous years' results cannot be modified after results have been reported unless a formal restructuring has occurred, or a documented error has been identified. If this is the case, MDBs must notify the CIF Secretariat of the change, provide the necessary rationale, and reference the relevant formal documentation validating the rationale, as well as the new result value. The numbers are then changed by the CCH administrator. In the case of a reporting error identified from a previous reporting year, the values are corrected during the reporting year when they are identified.

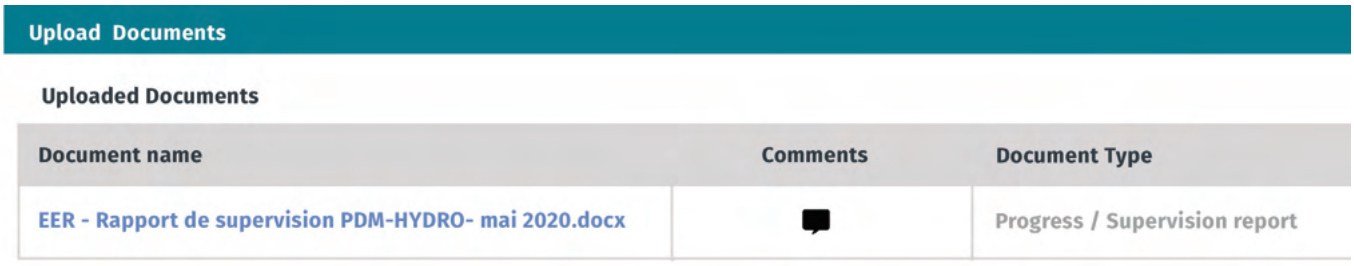
Step 3: Uploading Documents

Procedure:

- The "Uploaded Documents" link on the left-hand side of the page navigates to the screen, as shown in Figure 7.
- During the first year of reporting, MDBs should upload the full project results framework.
- During subsequent reporting years, MDBs should upload the most recently available document(s) with key updates on the project's implementation status and results, such as implementation status or supervision reports, mid-term reviews, and implementation restructuring documents.
- Since this function is open-ended, MDBs also have the option to upload other relevant documents in this section (e.g., methodological notes, explanatory documents, results highlights and communications products, recent case studies, etc.)

During the final year of reporting, MDBs should upload the project completion report and confirm with CIF that achieved results are final. Once this has occurred, the MDB is no longer required to submit annual results reporting updates on that project.

FIGURE 7. Uploaded Documents Screen in the CCH



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ENDNOTES

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1. Revised in 2023.

2. Or region-driven, in cases where NPC investment plans are seated at the regional level. For the sake of simplicity, the term "country" is used throughout the toolkit. However, this usage should also be deemed to include "region", where operationally relevant.

3. This toolkit does not cover all aspects reflected in the *NPC Integrated Results Framework*. Instead, it focuses on operationalizing the core monitoring and reporting functions of the integrated results management approach. Other evaluation, learning, and gender aspects are described in more detail in additional documents. They are cross-referenced throughout this toolkit to the extent possible.

4. NPC is expected to support both programs with sub-projects and standalone projects. For the sake of editorial clarity, this toolkit henceforth only refers to "projects," which should be understood implicitly to encompass different kinds of NPC investments.

5. And all other CIF M&R systems for new programming areas (but not in CIF's PPCR, FIP, CTF, SREP programs).

6. In the form of the NPC Operational and Results Report.

7. As MDBs' respective information disclosure policies allow.

8. As MDBs' respective information disclosure policies allow.

9. As MDBs' respective information disclosure policies allow.

10. As MDBs' respective information disclosure policies allow.

11. As defined by MDBs.

12. Including consideration of carbon leakages.

13. "Other considerations" for indicators in this toolkit represent an assortment of issues relevant to highlight in the context of each indicator. They pertain to additional methodological considerations, complementary approaches suggested or employed for a given results area, and other noteworthy issues. Other considerations are illustrative and non-exhaustive in nature.

14. If relevant, for example, extrapolation of the estimated annual carbon capture over the biological lifetime of forests/natural assets.

15. Reporting must take place annually. However, it is recognized that achieved results data for GHG emissions may only become available later in the project implementation period, e.g., during mid-term review or at completion.

16. A counterfactual is an estimation of what would occur in the absence of an intervention in this context. The counterfactual is typically the same as the business-as-usual emissions trajectory.

17. See https://unfccc.int/climate-action/sectoral-engagement/ifis-harmonization-of-standards-for-ghg-accounting/ifi-twg-list-of-methodologies.

18. "Baseline" here refers to the M&E sense of the term, i.e., the defined situation before a project is implemented. To avoid confusion, the term "reference scenario" is used to refer to the current and anticipated GHG emissions levels in the absence of a project (which is otherwise sometimes referred to as "baseline emissions" in the GHG accounting literature).

19. To be specified in number of years.

20. In terms of the reporting procedure, CIF is responsible for extrapolating future achieved results following project closure based on MDBs' preferred approach, or as otherwise agreed with the MDBs per project.

21. This also applies to all NPC indicators with disaggregated reporting.

22. The United Nations define Sustainable Land Management (SLM) as "the stewardship and use of land resources, including soils, water, animals and plants, to meet changing human needs, while simultaneously ensuring the long-term productive potential of these resources and the maintenance of their environmental functions" (Food and Agriculture Organization of the United Nations (FAO), n.d.).

23. Nature-based solutions are defined as "actions to protect, sustainably manage, and restore natural and modified ecosystems that address societal challenges effectively and adaptively, simultaneously benefiting people and nature." (IUCN, n.d.).

24. https://redd.unfccc.int/.

25. Urban/peri-urban areas are not expected to be a major focus of NPC but may have some indirect effects to capture through NPC Core Indicator 2.

26. Except for unique scenarios, e.g., one firm supported by an NPC project already has sustainable practices whereas another firm does not.

27. "Other considerations" are illustrative and non-exhaustive in nature. Additional guidance on evaluative or learning approaches beyond monitoring can be found outside the scope of this document.

28. See https://indicators.ifipartnership.org/psd-firm-level/.

29. Social inclusion is directed at vulnerable groups, such as Indigenous Peoples and local communities, ethnic or racial minorities, youth or elderly persons, persons with disabilities, lower-income groups, etc.

30. Aligning with the vision of the Partnership for Just Rural Transition in which governments, companies, and local communities collaboratively seek to mobilize solutions and investments for sustainable food production, stewardship of land, natural resources, and ecosystems, and enhancing livelihoods.

31. Or other relevant ecosystems.

32. Especially as related to nature-based solutions.

33. Such as in cases where the link to mitigation and adaptation activities is less direct.

34. For example, NPC recipient countries' National Statistical Systems, World Bank's Living Standards Measurement Study, or USAID's Demographic and Health Surveys (DHS).

35. These interventions do still generate project beneficiaries, which can be reported as a separate optional indicator and will accordingly feed into CIF Impact Indicator 3 (Beneficiaries).

36. An even more rigorous assessment of livelihood impacts would involve an experimental or quasi-experimental design, such as through the identification and measurement of a comparison group.

37. And related interventions.

38. Defined by ILO as work that is "productive and delivers a fair income, security in the workplace, and social protection for all, better prospects for personal development and social integration, freedom for people to express their concerns, organize, and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men." See https://www.ilo.org/global/topics/decent-work/lang--en/index.htm.

39. Defined by ILO as "decent jobs that contribute to preserve or restore the environment, be they in traditional sectors such as manufacturing and construction, or in new, emerging green sectors such as renewable energy and energy efficiency." See https://www.ilo.org/global/topics/green-jobs/news/WCMS_220248/lang--en/index.htm.

40. Assuming the sub-projects have a sustainable land or natural resource management investment criterion. If not, the number of sub-projects supporting this area should be calculated pro-rata against the total number of sub-projects expected to be supported through the facility.

41. Per the NPC IRF. This optional indicator is situated at the outcome level as a corollary to the same results statement served by the core indicator.

42. There are at least 13 separate definitions for green growth, depending on the international organization or actor. Some of these can be found here: https://sustainabledevelopment.un.org/index.php?menu=1447.

43. This also applies to reporting for all NPC co-benefit indicators.

44. Urban/peri-urban areas are not expected to be a major focus of NPC but may have some indirect effects to capture through NPC Core Indicator 2.

45. See https://justtransitioninitiative.org/.

46. Forthcoming at the time of publication.

47. As guided by NPC's *Maximizing Transformational Impact* evaluation and learning toolkit.

48. Or water tenure, rights, and access (if NPC focuses on this area).

49. This definition is provided for benchmark purposes only. NPC stakeholders are not required to apply it directly.

50. For other biodiversity indicators proposed, units of measure might include hectares of land covered or number of species supported.

51. Or sample thereof.

52. Depending on the set objective, type of data, and capacity and resources available (Neugarten 2018).

53. Urban/peri-urban areas are not expected to be a major focus of NPC but may have some indirect effects to capture through NPC Core Indicator 2.

54. Or other relevant ecosystems.

55. With a focus on terrestrial ecosystems.

56. Or marine.

57. As opposed to policies *adopted or amended* (covered by NPC 4)

58. While covered briefly here, some of these areas are elaborated in more detail outside this toolkit. CIF, MDBs, and countries may also employ other evaluative and learning approaches that fall outside the scope of this toolkit.

59. See https://www.jointimpactmodel.org/.

60. Detailed description and guidance for NPC program evaluation falls outside the scope of this document. A short overview is provided here with emphasis placed on its relationship to the NPC M&R System.

61. Some indicators also have lifetime targets that extend beyond the project closure date. Investment plans may also have target years that go beyond the implementation period of projects.

62. As MDB's informational disclosure policies allow.

63. Development of the CCH module and more detailed guidance is forthcoming.

64. Terminology for this document varies across MDBs.

65. At the time of publication, it has not yet been determined whether core indicators and other NPC indicator categories will have separate sub-headings in the "Results" section for entering achieved results.

66. This function provides flexibility to MDBs to report achieved values based on the latest validated data they have available through their own M&R systems. In some cases, a validated value may be cumulative, and in other cases, it may be annual. In the case of a discrepancy, validated cumulative values should take priority over annual values. The CCH will calculate the annualized value as a proxy, and the discrepancy will be corrected as of the following reporting year.

THE CLIMATE INVESTMENT FUNDS

The Climate Investment Funds (CIF) is one of the largest multilateral climate funds in the world. It was established in 2008 to mobilize finance for low-carbon, climate-resilient development at scale in developing countries. 15 contributor countries have pledged over US$11 billion to the funds. To date CIF committed capital has mobilized more than $64 billion in additional financing, particularly from the private sector, over 70 countries. CIF's large-scale, low-cost, long-term financing lowers the risk and cost of climate financing. It tests new business models, builds track records in unproven markets, and boosts investor confidence to unlock additional sources of finance. Recognizing the urgency of CIF's mission, the G7 confirmed its commitment to provide up to $2 billion in additional resources for CIF in 2021.

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