













# **Potential for Transformational Change**

### The Concept of Transformational Change:

The Mitigation Action Facility defines transformational change as a catalytic change in systems and behaviours resulting from disruptive climate actions that enable actors to shift to carbon-neutral pathways. It supports transformational change that has strong national ownership and is in line with the partner countries' Nationally Determined Contributions (NDCs) and long-term strategies (LTS) that are central to meeting the Paris Agreement goals In the context of the Mitigation Action Facility, projects are considered conducive to sectorwide transformational change if they:

- Promote a demonstration effect through manifesting the feasibility of implemented mitigation solutions, ensuring embeddedness in sectoral and national climate policy context, showing evidence of securing the buy-in from key stakeholders, and ensuring a systematic learning approach.
- Have a catalytic effect and include mechanisms for:
  - A wider systemic change, ensuring the sustainability of impacts, local ownership and political will, the involvement of the private sector and the use of innovative technologies and approaches.
  - Enabling either a significant evolution in terms of scope through scaling-up or replication. Replication and/or significant scaling-up of the project's demonstrated solution can take place on a national or regional level and in other sectors or locations.

 Aim to deliver additional, large-scale and sustained GHG savings.

Transformational change and its goals must contribute to long-term sectoral decarbonisation. The process must identify and address the agents of change, the innovation itself and how it fits into the framework conditions (economic, societal, environmental), as well as into the institutions of change. Overall, transformational change is considered as change that is far-reaching, structural, and fundamental in nature.

#### The Operationalisation:

At the Mitigation Action Facility, the potential for transformational change is assessed as part of the following processes:

- Project design. This includes Project Concept, Outline, and Proposal Phase (also referred to as the Detailed Preparation Phase, or DPP)
- Evaluation. This includes Evaluation and Learning Exercises (ELEs) and Interim Evaluations of the Mitigation Action Facility

#### **Project Design**

The potential for sector-wide transformational change is one of the criteria used to assess the ambition of the Mitigation Action Facility's projects. At the project design stage, the projects are required to define the following aspects:

- Is the project embedded in the country's overall mitigation strategy and plans to address climate change?
- How does the project contribute to the achievement and/or further enhancement of the national development plans and longterm strategies (LTS)?
- How do national targets and the project itself relate to international agreements, especially to the NDC and with regards to the 1.5° limit and carbon-neutral pathways?
- How does the project align with development goals, mitigation targets and strategies of the priority sector?
- Does the project help change the prevailing structures of the sector that contribute to high emission levels? What is the starting situation of the country and the sector? What is the 'window of opportunity' for inducing a change?
- Does the project help to overcome systemic barriers to the reduction of emissions, and if so, how?
- Does the project boost the participation and/or development of the private sector? What is the specific contribution of the private sector to transformational change potential?
- Does the project serve to strengthen national capacities to enhance carbonneutral development within and beyond the scope of the project?
- What transformational impacts does the project have beyond its scope?

Additionally, projects are required to reflect their potential for transformational change and define appropriate targets as part of the Mandatory Core Indicators when specifying their Monitoring and Evaluation framework.

#### **Evaluation**

#### **Evaluation and Learning Exercises (ELEs)**

ELEs are a formal evaluation of the project's progress in achieving transformational change. They discuss whether the intended transformational change has been achieved and/or is likely to be accomplished by the project based on its performance. This assessment is based on the Transformational Change Measurement Framework developed for ELEs specifically. The framework assesses whether the projects have achieved a demonstration effect, resulted in a catalytic effect, and contributed to additional and large-scale GHG savings.

# **Interim Evaluations of the Mitigation Action Facility**

Insights on the overall transformational change potential of the Mitigation Action Facility are collected as part of Interim Evaluations that occur every four years.

More information about ELEs and Interim Evaluations can be found in the Monitoring, Evaluation and Learning section on the Mitigation Action Facility website.

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