External Final Review
CapaCITIES Project, Phase 2

Final Report

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Swiss Agency for Development and Cooperation (SDC)

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Acronyms & Abbreviations

ADB	Asian Development Bank
AMRUT	Atal Mission for Rejuvenation and Urban Transformation
CapaCITIES	Capacity Building Project on Low Carbon and Climate Resilient City Development in India
CCAP	City Climate Action Plan
CHF	*Confoederatio Helvetenstein Franc* (Swiss Franc)
COP	Conference of Parties
CNG	Compressed Natural Gas
CPHEEO	Central Public Health and Environmental Engineering Organisation
CRCAP	Climate Resilient Cities Action Plan
CSCAF	Climate Smart Cities Assessment Framework
DLI	Disbursement Linked Incentive
FAME	Faster Adoption and Manufacturng of Hybrid and Electric Vehicles
DRR	Disaster risk reduction
GCoM	Global Covenant of Mayors for Climate and Energy
GHGs	Greenhouse Gases
GEF	Global Environment Fund
GoTN	Government of Tamil Nadu
GPCCE	Global Programme on Climate Change and Environment
GoTN	Government of Tamil Nadu
GPCCE	Global Programme on Climate Change and Environment
GMZ	Green Mobility Zone
IAs	Implementing Agencies
ICLEI SA	ICLEI South Asia
IFIs	International Financial Institutions
INR	Indian Rupees
IPCC	Inter Governmental Panel on Climate Change
LED	Light emitting diode
Logframe	Logical framework
MC	Municipal Corporation
M0HUA	Ministry of Housing and Urban Affairs
MoU	Memorandum of Understanding
NAPCC	National Action Plan on Climate Change
NCAP	National Clean Air Programme
NDC	Nationally Determined Contribution
NDMA	National Disaster Management Authority
NIUA	National Institute for Urban Affairs
NMSH	National Mission for Sustainable Habitat
NULP	National Urban Learning Platform
OECD	Organisation for Economic Cooperation and Development
PID	Programme Information Document
PO	Project Officer
PSC	Project Steering Committee
RCAP	Resilient Cities Asia Pacific
SAPCC	State Action Plan on Climate Change
SBM	Swachh Bharat Mission (Clean India)

SCM	Smart Cities Mission
SDC	Swiss Agency for Development and Cooperation
SWM	Solid waste management
tCO_2e	Tonnes of carbon dioxide (CO_2) equivalent
TCPO	Town and Country Planning Organization
TDP	Tonnes per day
ToR	Terms of Reference
TNCRUDP	Tamil Nadu Climate Resilient Urban Development Programme
UDA	Urban Development Authority
UIT	Urban Improvement Trust
ULB	Urban Local Body
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNISDR	United Nations International Strategy for Disaster Reduction
UNFCCC	United Nations Framework Convention on Climate Change
WRI	World Resource Institute

Executive Summary

This report presents the final review of the **Capacity Building for Low Carbon and Climate Resilient Cities Development in India (CapaCITIES) Project, Phase 2**, implemented by ICLEI SA, South Pole and econcept for the Swiss Agency for Development and Cooperation (SDC). The Project features three Outcome areas: (1) climate action planning, (2) access to finance for climate action, and (3) enhanced knowledge. SDC charged external reviewers with: (1) assessing the Project's overall performance, (2) highlighting areas of improvement for the Project between now and its end, and (3) making recommendations for a potential future project.

Performance assessment of CapaCITIES 2 Project to date

The review assessed Project performance according to several evaluation criteria, as follows:

Relevance & Coherence. The Project design is coherent. The Project is highly relevant to addressing local challenges and implementing national policies and missions at the local level. Design of the present Phase 2 Project clearly responded to recommendations made at the end of the previous (Phase 1) Project. Early signs indicate that the city climate action plans being developed and soon to be released under Outcome 1 give balanced attention to mitigation and adaptation concerns; this provides for greater local 'relevance'. On the other hand, Outcome 2 assistance to bankable projects has favored projects that yield mitigation benefits. For both Outcome areas 1 & 2, implementing agencies could further demonstrate relevance by more thoroughly considering and then reporting on the local 'co-benefits' of climate action.

Effectiveness. Key Project achievements to date include the following:

- ✓ The four Project cities added in Phase 2 have approved climate action plans using a simplified planning process.
- ✓ Municipal corporations have begun to allocate budgetary resources to climate action.
- ✓ The Project provided input into the national-level Climate Smart Cities Assessment Framework 2.0 and the state-level Tamil Nadu Urban Livability Framework, both of which have been institutionalized.

Actions expected to lead to additional major achievements are well advanced or pending. These include:

- ✓ All eight Project cities are developing climate action plans using a comprehensive process.
- ✓ Considerable public and private resources to support priority city-level climate actions are in the pipeline.
- ✓ The Project's 'Basket of Solutions' framework has helped inform the Disbursement Linked Incentives of a World Bank loan programme currently being formulated in Tamil Nadu.
- ✓ The ICLEI SA Executive Director is contributing to an update of the national Urban and Regional Plan Formulation Guidelines.
- ✓ Institutionalizing urban climate action planning processes at the state level is pending.

Other key findings related to effectiveness: (1) Both climate action plans and city-level projects could more systematically embrace a pro-poor jobs and livelihoods approach. (2) The core Project toolkit could be further consolidated, polished, disseminated, used as a basis for capacity-building, and provided to training institutions. (3) Further engagement with the Ministry of Housing and Urban Affairs as well as key national missions could have been attempted. In sum, with concerted effort, virtually all Project Outputs and Outcomes look within reach.

Efficiency. Project implementation generally seems to have been efficient. Using grant resources and technical support to leverage additional resources represents an important Project approach to utilizing resources efficiently. The Project Steering Committee seems to have functioned well. On the other hand, in part as a result of the Covid

pandemic, the Project Advisory Committee has not proven effective. Streamlining certain internal procedures to yield further efficiencies may be worth exploring.

Impacts. The Project has begun to achieve more far-reaching impacts, including, as reported by the IAs, reduced annual GHG emissions from four of the Project cities. Moreover, in their approaches to climate action planning, several of the Project cities show signs of 'transformational change' from business-as-usual. Reviewers did not find any signs that Project grants are dampening local efforts to mobilize market-rate credits.

Sustainability. Core Project learnings and tools have the potential to yield enduring impact. Embedding climate action planning into national- and state-level regulations and guidelines represents a pending key challenge to achieving such. 'Accelerating factors' in the enabling environment include: (i) an increasingly favorable policy framework, and (ii) the knowledge platform and training hub roles that an invigorated National Institute of Urban Affairs is playing in the area of urban climate action. 'Limiting factors' include: (i) the lack of a statutory basis for climate action planning and spending at the local level, (ii) a complex institutional framework for planning and development at the local level, (iii) limited direct Project linkage to state-level training institutes, and (iv) little direct linkage of participating cities to local sources of scientific knowledge about climate change.

Recommendations for the Project between now & end of the Project

Between now the end of the Project, implementing agencies (IAs) should:

General

1. Focus implementation energies on completing Outputs and achieving Outcomes per the Project's Logical Framework.
2. Develop and then execute a Project Close-out / Sustainability Plan. This plan should include a definitive, cross-Outcome area shortlist of the Project's key capacity-building and decision-support tools.

Outcome Area 1 (climate action planning)

3. Help Project cities complete pending sub-steps of the climate action planning methodology.
4. Strengthen the forthcoming final batch of climate action plans in the eight Project cities.
5. Undertake targeted dissemination, outreach and discussions around the final climate action plans and planning processes.
6. Encourage and support all Project cities to obtain the 'badges' offered by the Global Covenant of Mayors for Climate and Energy for which they qualify.
7. Help cities establish direct, ongoing relations with local researchers and academicians who could help generate a local base of scientific knowledge about climate change.
8. Encourage and support participating cities to convert their internal Climate Core Teams and/or external Stakeholder Committees, set up for Project purposes, into standing coordination and advisory bodies.
9. Undertake a final round of capacity-building on the climate action planning process.

Outcome Area 2 (access to finance for climate action)

10. Nudge along, as possible, co-financing agreements with public and private sector sources of finance. Finalize city-level bankable assessment reports and procurement documents under development. Finalize state-level innovative financing reports under development. In coordination with Outcome areas 1 & 3 efforts, finalize sectoral toolkits and a training module on supporting cities to access carbon finance that are under development. Per an NIUA request, package such materials in 'capsules'. Provide trainings and disseminations at city, state and national levels using those materials. Make arrangements to capture any last transactions that are finalized after the Project ends its on-the-ground activities.

Outcome Area 3 (enhanced knowledge)

11. Deliver pending Outcome 3 outputs in a holistic manner, in coordination with the other Outcome areas.
12. Continue to feed learnings from CapaCITIES into national level guidelines and strategies.
13. Contribute a short thought piece as an input to SDC's forthcoming new Guidance Note on Climate, Disaster Risk Reduction and the Environment.

Recommendations for a potential new project beyond 2024

For any such project, SDC should retain the most advantageous features of the CapaCITIES 2 Project, e.g., focusing primarily on the local level while undertaking complementary actions at the state and national levels. At the same time, certain Project approaches could be strengthened and updated, so as to: (1) respond to the Government of India's new and updated climate policies of 2022, (2) provide for a transparent peer review of the core climate action planning methodology, and (3) strengthen pro-poor jobs and livelihoods objectives and approaches. Mix-and-match options for future directions are as follows:

Option 1 – Continue to support cities participating in the CapaCITIES Project while adding new cities

Cities already participating in CapaCITIES could gradually transition to a mentoring and resource role. New cities should be: (i) of less than 2.5 or 3 million population, (ii) located in states that support multi-level governance approaches to climate action, and (iii) located in states that actively participate in relevant national missions.

Option 2 – Focus on hill towns, including in the Himalayan region

Hill towns face particular climate-related hazards as well as other hazards related to building on steep slopes. Working with a set of Urban Local Bodies (ULBs) that share such common features offers advantages. A focus on hill towns would also take advantage of Swiss know-how; meanwhile, no other donors are focused on this niche. A scoping challenge here would involve identifying local governments of sufficient scale to act as effective counterparts. Engaging with smaller ULBs might involve different approaches than those developed under the CapaCITIES Project.

Option 3 – Work at the city-region scale to achieve climatic and environmental benefits

Working at the city-region scale opens up a new set of potentially high-impact, transformance climatic and environmental solutions, e.g., taking ecosystem-based approaches to adaptation. Embracing this approach might involve working with pairs of Municipal Corporations and Urban Development Authorities. Further exploring this approach would involve trying to identify a state-level champion.

Option 4 – Help municipal corporations become creditworthy and obtain credits for climate action

To date a limited number of ULBs have received investment grade credit ratings; a number of others linger just below minimum investment grade. Helping even a limited number of ULBs become creditworthy would be transformational. Assistance in this area would not be far removed from some of the capacity-building provided under Outcome area 2 of the CapaCITIES 2 Project, and could be synergistic with the lending operations of IFIs.

Option 5 – Provide increased inputs into national-level rules and regulations, and support roll-out

A project could: (i) further help to institutionalize city-level climate action planning in national-level regulations and guidelines, and then (ii) support the roll-out of corresponding tools and training materials to ULBs.

1. Introduction

The present document represents the **Final Report** for the external final review of the **Capacity Building for Low Carbon and Climate Resilient Cities Development in India (CapaCITIES) Project, Phase 2** ("the Project"). This Project is funded by the Swiss Agency for Development and Cooperation (SDC) and is implemented by a consortium of Implementing Agencies (IAs): South Pole Group, ICLEI South Asia and econcept. In March 2023, SDC hired a team consisting of an international consultant / team leader and an Indian consultant to carry out this review. For the Terms of Reference for this assignment, see Appendix A.

Below we provide additional background for: (1) the CapaCITIES Project, and (2) the present assignment.

1.1 Background on CapaCITIES Project

SDC launched its CapaCITIES Project in ***June 2016***; this initial Phase lasted until ***July 2019***. As shown in Table 1, Phase I included four cities, from different parts of India.

Table 1. CapaCITIES Project Cities (Phases 1 & 2)

#	Partner cities	State	Phase 1 cities	Phase 2 cities
1	Coimbatore	Tamil Nadu	Yes	Yes
2	Rajkot	Gujarat	Yes	Yes
3	Siliguri	West Bengal	Yes	Yes
4	Udaipur	Rajasthan	Yes	Yes
5	Tirunavelli	Tamil Nadu		Yes
6	Tiruchirappallii	Tamil Nadu		Yes
7	Ahmadabad	Gujarat		Yes
8	Vadodara	Gujarat		Yes

After evaluating the Phase 1 Project in 2018-2019[1], SDC launched CapaCITIES Phase 2[2]. Originally Phase 2 was to run from ***16 July 2019*** through ***July 2023***. However, due to the impacts of Covid-19 restrictions on project delivery in 2020 and 2021, SDC extended the period of performance through ***30 June 2024***.

In this Phase 2, SDC added four new project cities while continuing to work in the original four cities, for a total of eight (see Table 1). As shown in that Table, the new cities were concentrated in two of the four States of the original project, Tamil Nadu and Gujarat; each of those States thus featured a total of three Project cities. This reflected a recommendation from the Phase 1 Project Review that a Phase II Project should "concentrate on cities in one or two states, and use the state level as an entry point".

Per its Project Document, the CapaCITIES 2 Project will (as its **Objective**): "continue to enhance capacities at multiple levels of governance to mainstream climate resilience into the urban planning paradigm". This will involve "strengthening capacities" at the city, state and national levels. Per the **Overall Goal** articulated in its Logical Framework, the Project will find: "Lower greenhouse gas (GHG) emissions growth paths achieved, and resilience to climate change increased in select Indian cities". Under this goal, the Project aims at three **Outcomes**: (1) city and state governments integrate climate change aspects into ***urban planning and implementation***, (2) city and state governments have enhanced capacities to ***access finance*** for scaled up urban climate action, and (3) ***enhanced knowledge*** at the national and global levels on city climate action (see Appendix B).

[1] See Raghupathi, Schmid and Spöerndli, "Review CapaCITIES Project, Phase I: Final Report", SDC, 2019.
[2] See Engler, Kumar, Sadelmann, Chaturvedula, and Dettli, "CapaCITIES: Capacity Building Project on Low Carbon and Climate Resilient City Development in India: Project Document, Phase II", South Pole, ICLEI South Asia, and econcept; approval from SDC, 2019.

1.2 Background, scope & purpose of present review

Per the Terms of Reference (ToR) for this assignment (see Appendix A), the review should fulfil three Objectives. Those Objectives, with respective timeframes, are as follows:

- "Provide SDC with an objective independent assessment of the overall performance of [the] CapaCITIES Project in its second phase" (*16 July 2019 to the present [May 2023]*).
- "Highlight potential areas of improvements so that the Project can fully achieve the planned objectives before the end date of the project" (*The present to 30 June 2024*).
- "Provide ideas and recommendations for a potential future SDC supported project" (*Beyond 2024*).

To achieve those ends, per the ToR the team should: submit an Inception Report, undertake a desk review, and "visit selected project implementation sites in partner cities and states and have meetings (virtual and in person)" with various partners and stakeholders. As a further guide to assessing project performance per Objective 1, the ToR specify a set of 20 review questions.

The review team submitted its final (approved) Inception Report in April 2023. Following a desk review and initial exchanges with SDC and the IAs, per its agreed work plan the review team began its round of site visits, as follows: *Late April 2023* – The national consultant conducted a solo site visit of ***Vadodara***. *1-17 May* – The international and national consultants jointly visited and carried out interviews and site visits in the following locales:

- ✓ the capital and a project city in Tamil Nadu (***Chennai*** and ***Coimbatore***);
- ✓ the capital and a project city in Gujarat (***Gandhinagar*** and ***Ahmedabad***);
- ✓ a project city in Rajasthan (***Udaipur***); and
- ✓ the national capital (***Delhi***).

Late May – The national consultant carried out virtual interviews with officials from the remaining project cities: ***Tirunavelli*** and ***Tiruchirappallii*** in Tamil Nadu, ***Rajkot*** in Gujarat, and ***Siliguri*** in West Bengal. For a list of stakeholders interviewed, see Appendix C.

The review team submitted its draft final report on 4 June 2023. It presented and discussed the draft findings with SDC on 12 June and with the IAs on 16 June. The team also received written comments on the draft from SDC on 13 June[3], and from the IAs on 22 June. The present final (June 2023) version responds to those comments.

Before proceeding we note two caveats. Firstly, the reviewers made a reasonable effort to independently confirm reported accomplishments and impacts, e.g., by reviewing primary documents. This was possible for some outputs and outcomes, but in other cases (e.g., reduced annual city-wide GHG emissions) independent verification lay outside our scope of work. Secondly, we note that, in the interests of space, below we do not try to list *every* relevant accomplishment. Two or three illustrative examples are usually sufficient to substantiate a given finding; periodic progress reports offer a more complete list of project accomplishments.

Following the present (1) introduction, below per the assignment objectives we: (2) assess the performance of the CapaCITIES 2 Project to date (May 2023), (3) offer recommendations for the Project during its remaining months, and (4) provide ideas and recommendations for a potential future SDC support project in this space.

[3] Comments from SDC on 13 June 2023 included several new sub-questions. Two of these ("What is your evaluation of the CRCAP methodology? Could it be improved?" and "Are CRCAPs important tools to fulfil the challenges addressed by the National Missions and/or NDCs, or are the CRCAPs mainly important to raise funding? What gap do they fill in the overall landscape?") are addressed below under the Effectiveness Question No. 4a.

2. Performance assessment of CapaCITIES 2 Project to date

The Terms of Reference for the present assignment (see Appendix A) pose 20 review questions, marshalled into six evaluation criteria. Below, for each of those criteria, the review team offers: (i) specific responses to each of the corresponding review questions, followed by (ii) a brief, overall assessment for the criterion[4]. Per request of SDC, to illustrate certain points below we have referenced a handful of international best practices.

2.1 Relevance & Coherence

Per the OECD, a review of "***relevance***" asks "Is the intervention doing the right things?" It investigates, "The extent to which the intervention objectives and design respond to beneficiaries', global, country, and partner/institutional needs, policies, and priorities". A review of "***coherence***" asks, "How well does the intervention fit?" Is the intervention compatible with "other interventions in a country, sector or institution?[5]"

Responses to specific review questions:

(*1a*) How relevant is the project in the partner cities and states it operates in, i.e., how adequate is the project in addressing the challenges of climate change adaptation and mitigation at city and state level?

One important approach to 'relevance' involves paying balanced attention to mitigation and adaptation challenges. A number of adaptation actions such as managing flood risk may be highly 'relevant' to certain local stakeholders, e.g., residents affected by flooding such as ***Siliguri*** experienced in 2020 and 2022[6]. This balanced attention is implicit in the design of the CapaCITIES 2 Project. For example, in the Project's Logical Framework, the Overall Goal of the Project features two key indicators, given equal weight: (i) avoided GHG emissions, and (ii) vulnerabilities of cities reduced.

The 2019 Review of the previous CapaCITIES Phase 1 Project found it necessary to recommend that "expertise on Adaptation in urban areas [should be] adequately represented". Indeed, in review of the city climate action plans developed during Phase 1, some imbalance can be detected. Firstly, even while the mitigation benefits (in terms of expected reductions in GHG emissions) are carefully estimated for individual actions, the adaptation benefits of those actions are rarely if ever quantified. Secondly, even though the plans identify the "most vulnerable" wards to climate-related hazards, virtually none of the actions proposed explicitly target action in those wards[7].

The approach taken in the Phase 2 Project (the focus of the present review) is remedying this circumstance, particularly in Outcome area 1 (planning). This is seen most clearly in the 'comprehensive' climate action plans that are currently emerging at the end of the present Phase 2[8]. The draft plan for ***Ahmedabad***, for example, includes a series of "adaptation goals and strategies". Under a goal of "becoming a flood resilient city", these include, in the stormwater sector, several complementary strategies including not only "improve storm water

[4] For clarity, at times below we divide a single question into two or three parts, numbered, e.g., 1a, 1b, etc.
[5] Source: OECD (2018). As cited in the ToR for the present assignment.
[6] Note that some climate actions: (i) yield mostly or exclusively mitigation benefits, (ii) others (like flood risk management) mostly confer adaptation benefits, while (iii) yet others yield a combination of mitigation and adaptation benefits. An example of the latter would be an urban forest, which acts as a carbon sink (mitigation) even while helping to address urban heat island effect (adaptation).
[7] The IAs explain: "The premise is that the solutions will be prioritised in the most vulnerable areas/wards/ locations".
[8] The 'simplified' plans developed at the *start* of Phase 2 featured a 'Basket of Solution' with "38 topics for climate actions". The (qualitative) mitigation and/or adaptation benefits of action in these areas were sometimes but not always clearly articulated. For example, in the climate plan for ***Tirunelveli***, one 'goal' was for the city to have "implement a SWM system that adopts Reduce, Reuse, and Recycle principles and minimises environmental impacts". However, we are not told whether those positive environmental impacts involve mitigation and/or adaptation benefits. For further discussion of the 'simplified' versus 'comprehensive' planning methodologies, see response to Effectiveness Question No. 4a, below.

management" but also "increase green cover and urban green spaces" so as to "improve flood resilience and ecosystem services". Most encouragingly, the "potential wards with high risk due to urban flooding", earlier identified via a vulnerability and risk assessment, were clearly flagged for priority attention. At the same time, city-level projects selected for Outcome 2 "bankable project" assistance clearly favored mitigation over adaptation benefits. On a Project spreadsheet summarizing such, all eleven of the selected projects are listed as having mitigation benefits while none showed adaptation benefits. More than half of these projects (6 of 11) were listed as in the renewable energy sector, with a seventh project being a "waste to bio CNG" facility. Such projects may be conducive to leveraging certain government schemes (e.g., state renewable energy policies) or otherwise hold potential for positive results under Outcome area 2. The criteria used to select projects to receive this assistance develop the theme of mitigation in greater detail than adaptation (see Appendix D).

A second important approach to ensuring the local 'relevance' of climate actions involves considering the local, non-climate 'co-benefits' of priority climate actions[9]. Indeed, in UN-Habitat's "Guiding Principles for City Climate Action Planning", where 'relevance' represents one of the eight 'guiding principles', relevance is defined as "delivering local benefits and supporting local development priorities". Per that guidance note:

> Planning for climate action can help [cities] achieve other relevant local objectives in areas such as health, safety, food security, housing, biodiversity, air quality, access to basic urban services, poverty reduction, local economic development and job creation. In many cities promoting these co-benefits may be central to maintaining political support for climate action.

The Phase 2 plans available for review make some efforts in articulating local co-benefits. For example, when identifying transportation priorities the 'simplified' climate action plan for ***Tirunelveli*** point out that "public transport… contributes to reducing GHG emissions [a mitigation benefit] and air pollution [a co-benefit]". At the same time, more explicit discussion and then monitoring and reporting of the local (non-climate) co-benefits of priority actions could be considered, as a way to sustain political support for climate action.

(*1b*) Could the project fill important gaps?

This question breaks down into two parts: (i) are there *important gaps* in the enabling environment for climate action in cities, and (ii) if there are, could the *present project* help fill those gaps? Regarding the latter question, the reviewers consider that, in its final months, the Project should focus energies on consolidating workstreams already begun and achieving planned results (see recommendations below). Therefore, addressing any important gaps should be left for a possible follow-on project.

That being said, regarding the former question there are still a number of gaps in the enabling environment for climate action in Urban Local Bodies (ULBs) in India. Some of these gaps are specific to climate action planning, for example: (i) the absence of a statutory requirement to plan for climate action, (ii) the lack of a requirement or tools to track the allocation of resources to climate action in annual ULB budgets, (iii) the very small fraction of local officials (out of the full universe of such officials) who have actually received training or sensitisation in the use of 'tools' that support climate action planning, and so on. Other gaps are more general in nature but materially affect climate action in cities; these include gaps in the ability to formulate financially viable projects (including climate projects), the lack of creditworthiness of many ULBs, and so on.

Although a number of such gaps in the enabling environment thus exist[10], the reviewers note that one project can only do so much. They consider that the CapaCITIES 2 Project has filled a couple of very central gaps, firstly by promoting integrated climate action planning in cities (Outcome 1). There was even more of a dearth of

[9] For a discussion of considering such co-benefits during the action planning prioritisation process, with resulting gains in terms of 'relevance', see discussion of Effectiveness Question No. 4a, below.
[10] Some of these gaps are addressed in future recommendations; see Chapter 3 below.

such approaches when the Phase 1 Project started[11]. Secondly, helping cities learn to formulate and access resources for climate investments (Outcome 2) also fills a key gap. Like all such projects, finite resources only allow CapaCITIES to directly reach a handful of interested ULBs. But at the same time, building elements into the design of the project to provide for replication at the state and national levels (e.g., through the deployment of project officers at the state level) helps the Project to fill as much of these central 'gaps' as possible.

(*2a*) Is the project aligned with the objectives of various national policies and programmes (Nationally Determined Contributions, Smart Cities Mission, National Sustainable Habitat Mission, etc.)[12]?

At the ***national*** level, the project is well aligned with relevant policies and programmes[13]. The *National Action Plan on Climate Change* (*2021)* indicates that several "national missions… form the core of the National Action Plan", and the Project is congruent with several such missions:

- ✓ The *National Mission on Sustainable Habitat (2021-2030)* calls on cities to prepare climate action plans. In that call, it specifies several elements (e.g., baseline inventory of GHG emissions, assessment of vulnerabilities) addressed in the CRCAP methodology.
- ✓ Project assistance with developing charging stations for electric buses in ***Ahmedabad***, and deploying e-rickshaws in ***Udaipur***, helps to further the *Faster Adoption and Manufacturing of Electric and Hybrid Vehicles (FAME) scheme*.
- ✓ Also in ***Udaipur***, technical assistance to prepare a City Water Balance Plan corresponds to the *Atal Mission for Rejuvenation and Urban Transformation (AMRUT) 2.0*.
- ✓ Assistance to a floating solar project in ***Coimbatore*** furthers a solution that arose from the *Smart Cities Mission*.

The Phase 1 climate action plans contain numerous cross references to these and other missions as a means of implementing certain priority actions.

At the ***state*** level, particularly in Gujarat and Tamil Nadu, the Project is well aligned with – and even supporting the development of – key policies and missions. Examples[14]:

- ✓ In both ***Gujarat*** and ***Tamil Nadu***, the Project is helping cities access state-level financing schemes (e.g., e-autos in ***Rajkot***, floating solar and waste-to-bio CNG in ***Coimbatore***).
- ✓ In ***Gujarat***, the Project prepared a policy brief for aggregate offset captive solar for households living in apartment buildings.

At the same time, the Project could make the alignment between the city- and state-level climate action plans more explicit. For example, the *State Action Plan on Climate Change* for ***Tamil Nadu*** offers a number of entry points for local-level climate action, e.g., sustainable habitat, energy efficiency, renewable energy. Those priority sectors are in fact well aligned with certain actions in the approved climate plans in, e.g., ***Coimbatore*** and ***Tirunelvelli***. However, those cities' climate action plans do not make that linkage explicit – they do not state that implementing certain actions will support Tamil Nadu in implementing its State Action Plan.

Making this alignment of local with state plans explicit is not just a good practice, conducive to multi-level governance. According to an Urban Specialist at the Asian Development Bank, it could also increase interest in

[11] By comparison, the EC-funded Promoting Low Emission Urban Development Strategies (Urban-LEDS) Project initially (i.e., in Phase 1, 2012-2015) only helped project cities plan for *mitigation* action. Phase 2 of the Urban-LEDS Project also provided for integrated mitigation-adaptation action, but that project only began in 2017, after the start of the CapaCITIES Phase 1 Project in 2016.

[12] Per the Inception Report, the response to the present question is also addressing state-level alignment.

[13] For discussion of alignment with India's recently announced (Nov 2022) *Long-Term Low-Emission Development Strategy*, see response to Effectiveness Question No. 6, below.

[14] For further examples that show how the Project has institutionalized tools and learnings and otherwise impacted policies at the state level, see responses to Effectiveness Question 5 and Impact Question 1, below.

the ADB (and perhaps other IFIs) in investing in soon-to-be released climate plans from the eight Project cities. Potentially, it could also help cities access state financing and/or provide for more holistic adaptation action.

(*2b*) What learnings from CapaCITIES are contributing to SDC's Global Programme on Climate Change and Environment (GPCCE) Strategy?

SDC achievements in India (including, presumably, those realized through the CapaCITIES Project) are recognized in GPCCE's *Programme Framework 2021-2024*[15]. That document states:

> The GPCCE's current physical presence in China, ***India*** and Peru proved to be relevant and effective. It will, therefore, continue to work with [those] partner countries…. In ***India***, the GPCCE will maintain its focus on increasing energy efficiency in [the] built environment, improving air quality in cities as well as supporting integrated risk management and climate-resilient water management in… urban areas.

The newly-formed CDE Section is currently (June 2023) undertaking its mid-term review; it then plans to update its Programme Framework and formulate a whole-of-SDC Guidance on Climate DRR and Environment. For a suggestion on how to crystalize key learnings from the CapaCITIES Project and feed them into this strategic process, see Chapter 3, below.

(3) How has the Project exchanged and interacted with global initiatives working on climate resilience for cities such as C40, GCoM, RCAP, etc.? What has been its added value compared to existing initiatives?

CapaCITIES 2 has indeed helped the Project cities interact with key global initiatives, with added value. Two examples:

In the case of the ***Global Covenant of Mayors for Climate and Energy (GCoM)***, the Project has assisted all eight participating cities to "commit" to the Global Covenant; this is confirmed on the GCoM website (see www.globalcovenantofmayors.org). Moreover, the Project has helped six of the eight Project cities receive at least one "badge" from GCoM – recognition that they have begun to take climate action[16]. Moreover, the sustained assistance provided by CapaCITIES, led by a full-time project officer located in or adjacent to MC offices, is clearly over and above the limited support that GCoM offers. Per its website, GCoM support is limited to "access to tools, materials and a dedicated regional/national helpdesk". Thus, CapaCITIES adds value.

Regarding the ***C40 Cities Climate Leadership Group***: the complementarity and value-add of CapaCITIES relates firstly to the size range of city that each initiative respectively targets. On the one hand, most cities that C40 invites to join are, per its website, "megacities [that] have an urban population that currently/is expected to exceed three million or more people by 2030". CapaCITIES, on the other hand, largely focuses on cities of between 750,000 and 2.5 million population size[17]. CapaCITIES' tools are primarily designed for that important urban cohort. Secondly, again CapaCITIES provides sustained, in-person support, which C40 does not.

To summarize: on the one hand, both GCoM and C40 provide: a global platform for networking, visibility and advocacy; access to tools; limited remote support; and recognition of the major milestones that member cities achieve while taking climate action[18]. On the other hand, CapaCITIES provides in-depth, on-the-ground support to climate action. Also, CapaCITIES generally focuses on supporting a smaller cohort of city than does C40.

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[15] In September 2022, the GPCCE Unit of SDC merged with the Disaster Risk Reduction (DRR) Team, creating the new Climate, DRR and Environment (CDE) Section of SDC.

[16] The current tally of badges is: Rajkot – all; Coimbatore – 4; Udaipur – 4; Siliguri – 2; Trichy – 1; Vadodara – 1.

[17] Here ***Ahmedabad*** represents a special case of overlap: at 7.7 million it is by far the largest of the Project cities and it was recently invited to join C40. In this case, the CapaCITIES IAs have initiated discussions with C40 about possibly co-branding Ahmedabad's forthcoming climate action plan (being developed with Project support) as a joint C40/CapaCITIES product; a final decision on this proposal is pending.

[18] As noted, GCoM has system of badges. C40 will either list cities as "temporarily inactive" or else revoke the membership of cities that "do not meet the requirements of the C40 Leadership Standards".

(4) Have the recommendations of the Phase 1 review been addressed?

Space does not permit individual consideration of each of the 25 "main recommendations" offered by the authors of the earlier CapaCITIES Project Phase 1 review[19]. We respond, though, as follows. The design of the Phase 2 Project clearly responds to those earlier recommendations. Most importantly:

- ✓ The Phase 2 Project did "extend the intervention level from Municipal Corporation (MC) to include other administrative levels," particularly "the state level".
- ✓ Likewise Phase 2 is "concentrate[ing] on cities in one or two states and us[ing] the state level as entry point". Via a competitive process, the Project selected ***Gujarat*** and ***Tamil Nadu*** as counterparts. Both of those State governments have indeed proven to be engaged partners. At the same time the Phase 2 Project added two new cities in each of those States, even while it also followed guidance to "continue in the current cities with a lower intensity".
- ✓ Even while continuing to advance integrated climate change planning, the Phase 2 Project is indeed "Support[ing] the development of bankable projects in order to make direct impacts".

These recommendations, embraced by the IAs, have all borne fruit. Otherwise, in Chapters 3 and 4 below we cite certain recommendations from the earlier Phase 1 Project review where they relate to new suggestions offered by the present Phase 2 review team.

Overall conclusions regarding Project relevance and coherence: The Project design is coherent. The Project is highly relevant to addressing local challenges and implementing national policies and missions at the local level. Early signs indicate that the city climate action plans being developed and soon to be released under 'Outcome 1' give more balanced attention to mitigation and adaptation concerns than occurred during the previous (Phase 1) project; this provides for greater local 'relevance'. At the same time, 'Outcome 2' assistance to bankable projects has favored projects that yield mitigation benefits. Relevance could be further demonstrated by more thoroughly considering and then reporting on the local 'co-benefits' of climate action.

2.2 Effectiveness

Per the OECD, a consideration of the "*effectiveness*" of a given project asks, "Is the intervention achieving its objectives?" Here the review is concerned with "closely attributable results", or "direct and primary effects". Consideration of less immediate or longer-term effects is deferred to evaluation of "*impacts*" (see below).

In considering effectiveness, project evaluators are given some leeway to focus on "the objectives and/or results that are of most interest". At the same time, they may "look beyond [explicitly stated] objectives… to examine equity issues and results for groups that have been marginalized".

(*1*) Has the project achieved the expected *outcomes* and *outputs* as defined in the project log frame?

The CapaCITIES Phase 2 Logical Framework includes three **Outcomes**, with three **Outputs** per Outcome area (see Appendix B). For each Outcome and Output, the log frame assigns between one and five **Indicators.** The IAs routinely report in detail on their progress against log frame elements. The present (external) review is therefore more high-level and synthetic; it also acts to independently validate project reporting.

In assessing progress to date (June 2023), the review team is mindful of the unprecedented disruptions brought about (beginning around March 2020) by the lockdown response to the global Covid-19 pandemic[20]. While an impediment to the production of Outputs, the lockdown no doubt was a particular hindrance to the

[19] See Raghupathi, Schmid and Spöerndli, "Review CapaCITIES Project, Phase I: Final Report", SDC, 2019. Quotes below are from pp. 3-4 of that document.
[20] See further discussion as part of the response to Effectiveness Question No. 6, below.

achievement of *Outcomes*, which generally involves obtaining the support and often active collaboration of external stakeholders. That being said, Project status is as follows:

Outcome 1: City and state governments integrate climate change aspects (adaptation and mitigation) into urban planning and implementation.

The IAs prepared the 'simplified' climate action planning methodology with supporting tools (***Output 1.1:*** *completed*). The impacts of the Covid-19 pandemic – both from the shutdown as well as upon human resources, travel, meetings and so on – delayed the preparation and implementation of climate action plans in the eight cities. As noted above, at present (June 2023) the IAs have helped the four new Phase 2 cities develop climate action plans using the 'simplified' methodology; they have released those plans. At present IAs intend to help all eight cities develop and approve 'comprehensive' climate action plans by the end of the year (***Output 1.2:*** *partly completed*). Preparatory work (e.g., institutional mapping) has been undertaken in support of "Institutionalization of the urban climate action planning process at the state level". However, ***Output 1.3*** (with its challenging indicator of "State-level programmes, missions, regulations, and urban planning guidelines include climate change aspects") is *not yet completed*.

At the ***Outcome*** level, we note that cities have begun to implement climate actions, including by allocating budgetary resources to such ends. Careful review of the approved annual budgets for ***Rajkot***, for example, reveals an allocation for climate actions totaling INF 4510.33 million (CHF 62.6 million) for 2021-22, and INF 5176.8 million (CHF 64.62 million) for 2022-23. ***Outcome 1*** as a whole is *partly achieved*.

Outcome 2: Enhanced capacities of city and state governments to access finance for scaled-up urban climate action.

Per *Output 2.1*, the Outcome 2 team systematically identified bankable projects via *concept notes* (15) and then *assessment reports* (nine plus two under development). Then the IA developed *procurement documents* for the most promising (four plus two under development) (***Output 2.1:*** *virtually completed*).

The *Output 2.2 indicator* measures actual "financing secured from other sources (beyond municipal budgets) for implementation of co-financed projects"; completing this milestone should be confirmed by "co-financing agreements" or similar. Documents show that participating municipal corporations have indeed committed budget resources to climate projects supported by the Project. Such commitments to date are estimated as totalling CHF 3.04 million, in three cities: ***Rajkot*** (renewable energy, Phase 1)[21], ***Udaipur*** (Green Mobility Zone) and ***Coimbatore*** (floating solar). At the same time, substantial additional resources from other (non-municipal) public and private sources are in the pipeline, estimated as follows:

Potential public sources
Rajkot – renewable energy – CHF 6.7 million
Rajkot – e-mobility (electric auto-rickshaws) – CHF 1 million
Vadodara – renewable energy – CHF 1.1 million
Udaipur – e-mobility – CHF 1 million
Coimbatore – Bio CNG – CHF 2 million
Total: CHF 11.8 million

Potential private sources
Rajkot – e-mobility – CHF 2 million
Udaipur – e-mobility – CHF 2 million
Coimbatore – bio CNG – CHF 5 million
Ahmedabad – e-bus – CHF 0.26 million
Total – CHF 9.26 million

[21] Resources allocated to this sector in Rajkot represent only a portion of the total budget allocated for climate action in that city noted above.

Thus, "financing secured from other sources" is still pending. (***Output 2.2:*** *pending*).

Output 2.3 involves enhancing "State and city-level capacities to enable access to climate finance"; this entails achieving three specific indicators, with the status as follows:

1) The IAs do indeed report developing project-specific "contracting models" and documents for four projects (waste-to-bio CNG and floating solar in ***Coimbatore***, Green Mobility Zone in ***Udaipur***, and a solar project in ***Rajkot***). The specifics of contracting documents were then integrated in capacity building modules (e.g., how to use project specific data when structuring a concession agreement and mitigating risk). (*Output 2.3 Indicator 1: completed*).
2) While capacity-building materials have been "developed" and shared with NIUA and its network of training institutes, and the Project has engaged to some extent with "state training institutes", "anchoring" those materials in those institutes is pending (*Output 2.3 Indicator 2: partly completed*).
3) "Training provided to city and state officials, finance sector representatives and developers to access climate finance (at least four trainings)". With two state-level and one city-level workshop completed, the *Output 2.3 Indicator 3* is *mostly completed*.

Thus, ***Output 2.3*** is *partly completed*. More broadly, ***Outcome 2*** as a whole is *partly achieved*.

Outcome 3. Enhanced knowledge on accelerating city climate action at the national and global level.

Support to the GoI in testing and applying the Climate Smart Cities Assessment Framework (CSCAF) 2.0 both in Project cities as well as in others represented a strong contribution to *Output 3.1*. At the same time, support is ongoing in packaging capacity-building materials in a "capsule" format requested by NIUA. Celebration of a "closure workshop" (as called for in the Log Frame) is of course pending. (***Output 3.1*** – *partly achieved*).

Preparatory work (including the preparation of policy briefs) has been accomplished for the "policy dialogues [to be] conducted at the national level for mainstreaming project results" (***Output 3.2*** – *pending*). Dissemination has occurred at the global level (e.g., by uploading reports to the CDP-ICLEI Unified Reporting Platform, and at a side event at the UNFCCC's 26th Conference of Parties in 2021). Likewise, global linkages have been established (see discussion of Relevance question No. 3, above). (***Output 3.3*** – *achieved*)

At the *Outcome* level, the recent nomination of ICLEI SA Executive Director to the committee charged with updating the national Urban and Regional Plan Formulation Guidelines represents an additional promising vector for sharing city-level learnings at the national level. (***Outcome 3*** – *partly achieved*)

Overall we can say that, at present, the CapaCITIES 2 Project has well advanced in achieving its *Outputs* and *Outcomes*. In the concluding months of the Project, focused attention on achieving remaining targets should result in the Project completing virtually all of those pending *Outputs* and most of these *Outcomes* by the end of 2023, with additional positive results possible thereafter.

(*2*) Is the choice of partner cities and demonstration projects appropriate, and have they achieved their stated goals by contributing to the project outcomes?

Partner cities were chosen through a systematic process. Virtually all of the partner cities are in the range of 750,000 to 2.5 million inhabitants, with ***Siliguri*** and ***Vadodara*** marking the lower and upper extremes of this range, respectively. This size range seems appropriate for the sorts of assistance that the Project offers. Municipal Corporations in cities of this size generally have sufficient capacity to act as effective counterparts to such projects without facing excessive coordination challenges with other donors (see below). At the same time, there is opportunity for positive impacts of reasonable scale.

The review team visited ***Ahmedabad***, in part to assess the effectiveness of Project interventions in a much larger city (population 7.7 million). Cities of this size and capacity may demand more specialized assistance than their smaller counterparts. Ahmedabad officials expressed appreciation for CapaCITIES Project assistance, in particular with the 'Outcome 2' assistance, e.g., in accessing financing for e-buses via carbon credits. Here and elsewhere, the depth of technical support that the CapaCITIES IAs can draw upon internationally from within their organizations has helped them provide the sorts of specialized assistance that a larger city values.

Larger cities such as ***Ahmedabad*** also may attract attention from a broader range of development partners. While realizing synergies between the interventions of a diverse set of partners is certainly possible, this circumstance also imposes an additional coordination challenge not only for project implementers but also upon senior local officials. One such coordination challenge in Ahmedabad was pending at the time of the reviewers' site visit. That city recently joined the C40 Cities Climate Leadership Group – an exclusive network which mostly targets leaders of the world's largest cities. While the overall aim of C40 points very much in the same direction as that of the CapaCITIES 2 Project, towards ambitious climate action, their specific methodologies and ways of working may not be completely congruent with CapaCITIES' approaches. For example, C40, with an eye on the Paris Agreement, considers (with some exceptions) that "the target year for emissions neutrality" for member cities "should be in the 2040s or sooner, but 2050 at the latest". This contrasts with the CapaCITIES 2 Project's current efforts, per GoI policy, to help cities plan for carbon neutrality by 2070. At present (June 2023), discussions are ongoing as to C40 'acceptance' or possible co-branding of the CapaCITIES-supported climate action plan now being finalized.

The review team also looked into the effectiveness of Project support in higher-capacity cities that have received investment-grade credit ratings and issued municipal bonds; such is the case for ***Vadodara*** as well as ***Ahmedabad***. Indeed, officials in those cities expressed appreciation for Project support. As one sign that municipal creditworthiness does not necessarily betoken high levels of financial capacity spread broadly across local staff: one reviewer received a request in Vadodara for capacity-building on some basic concepts of project finance, e.g., internal rate of return and the difference between economic and financial viability.

Finally, the reviewers note the reported decision by West Bengal State to not engage in national missions[22]; this circumstance has hindered Project engagement – particularly in the area of Outcome 2 – with those missions in ***Siliguri***. Per the IAs: "It was challenging to develop projects that could leverage central government schemes in Siliguri. It was not because the Siliguri administration did not want it but due to political [reasons]". As a result, the formulation of projects, development of financing schemes and submittal of applications for public (non-municipal) resources occurred in other Project cities, not in Siliguri.

Demonstration projects appear to have been chosen through rigorous selection processes. Certain demonstration projects seem to have been particularly well chosen, in that initial 'quick win' pilots have acted to prove new technologies that the city is then willing to scale up. For example, a 1.5 tonne per day (TPD) 'quick win' biogas plant in ***Coimbatore*** has emboldened the MC to embark on a 200 TPD biogas plant[23].

The review team notes that, while some of the demonstration projects selected for in-depth (Outcome 2) support are specifically called for in that city's climate action plan, others are not. In ***Udaipur***, for example, of three projects that have received in-depth support and were visited by the reviewers, one (biomethanation plant) clearly appears in that city's climate action plan; the other two, Mohta Park urban forest, Green Mobility

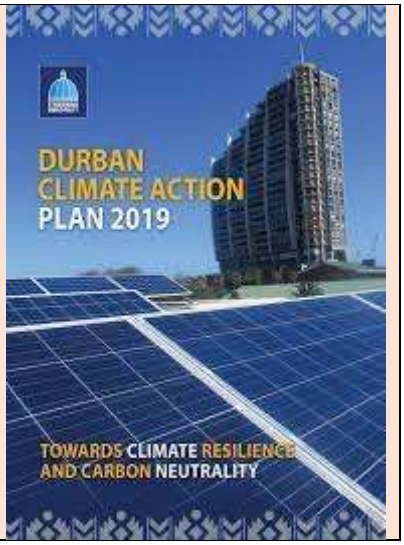
[22] Per Wikipedia, "All the participants for West Bengal have withdrawn from the Smart Cities Mission". See https://en.wikipedia.org/wiki/Smart_Cities_Mission. For further background, see https://www.hindustantimes.com/india-news/mamata-vs-modi-govt-5-central-schemes-stonewalled-by-the-west-bengal-cm/story-DtF3ZJKSvrMOiE8etkd03J.html. The implications of this decision for project delivery may well have been hard to foresee at the outset of the CapaCITIES Project when the initial set of participating cities was chosen.

[23] For additional discussion of this point, see response to Efficiency Question No. 1, below.

Zone (GMZ), do not[24]. Of the criteria used to select, for example, the GMZ project for 'bankability' assistance (see Appendix D), 'inclusion in the city's climate action plan' is not apparent. The reviewers do not find this to be a cause for concern: one can reasonably think of climate action planning as a *process* rather than as a *plan* that is set in stone. In fact, as local officials become more committed to taking climate action, they may well move away from initial, more limited planned activities (e.g., adopting LED lighting) to more 'transformative' projects such as the Green Mobility Zone. In such cases, approved climate action *plans* may well lag behind the most ambitious initiatives – a not uncommon occurrence in cities around the world (see ***Box 1***).

Box 1. Pilot activities preceding the mainstreaming of climate actions in plans: Durban, South Africa

For an example of a city (**Durban, South Africa**) in which various pilot activities (e.g., increasing the energy efficiency of municipal buildings) preceded the "mainstreaming of climate change concerns within various municipal short-and long-term planning processes", see Robert, Debra (2008). "Thinking globally, acting locally – Institutionalizing climate change at the local level in Durban, South Africa" at https://www.researchgate.net/publication/250061506_Thinking_Globally_Acting_Locally_-_Institutionalizing_Climate_Change_at_the_Local_Government_Level_in_Durban_South_Africa.



In the spirit of "looking beyond [explicitly stated] objectives… to examine equity issues" (per OECD evaluation guidance; see above)[25], the reviewers gave some consideration to the pro-poor employment and livelihoods dimensions of CapaCITIES interventions[26], with a focus on the (sub-)projects targeted for in-depth support.

In actual implementation, certain of these projects do indeed have a strong pro-poor job and livelihoods dimension. For example, under the e-rickshaw demonstration project in ***Rajkot***, IAs report that, in the Project's Phase 2, "individuals from economically weaker sections are prioritized to receive the benefit of the gap financing extended through the Project". However, such pro-poor considerations are not strongly developed in the CapaCITIES 2 Project design. While the Project Document briefly mentions "identifying opportunities or interventions that can be taken up by the cities to empower the urban poor women through better livelihood…", such is not tracked via performance indicators in the Project's monitoring framework[27]. This absence is then reflected in project implementation; for example, such pro-poor considerations do not appear in the selection criteria for bankable projects (see Appendix D), nor are they developed in the concept notes

[24] The sector corresponding to the urban forestry project is not included in the Udaipur climate action plan. While the transportation sector is included in the plan, the four recommended interventions in that sector (electric buses, "replacement of traditional auto-rickshaws across the city by electricity-powered Intermediate Public Transport [IPT]", electric cars, electric garbage vehicles) all concern city-wide shifts towards more climate-friendly vehicle technologies. None of those four interventions closely describes the area-based Green Mobility Zone initiative. Interviewees advised that this initiative largely grew out of the Smart Cities Mission.

[25] Thus, reviewers are encouraged to look beyond the Logical Framework and consider project design.

[26] This is per OECD DAC policy on "Promoting pro-poor growth", which notes that "productive employment and decent work are the main routes out of poverty"; this includes work "in the informal economy, where most poor women and men earn their livelihoods". They advise that "productive employment and decent work needs to be a key objective of development cooperation", with a "focus on youth, women and vulnerable groups". "Key areas for donors' attention" include "supporting women's organisations that promote women's economic empowerment" (OECD, 2009). Such considerations find expression in the SDC Programme Framework for GPCCE (2021-2024), which calls for "enhanced collaboration with… thematic networks (e.g., employment and income… [and] gender)".

[27] See footnote 25.

used to select projects for Outcome 2 assistance[28]. In part as a result, such positive pro-poor impacts, when they do occur, may not be sustained. In ***Udaipur***, for example, the reviewers visited a Project-supported biomethanation plant. IAs advised that a "self help group of women" was initially involved in its operation. However, later "TERI [a not-for profit research organization] took over the plant for research purposes"; this reduced the women's empowerment benefits that were accruing. In addition to the direct poverty alleviation benefits of sustained pro-poor job and livelihood creation, local officials in some cities have actually found tracking and reporting on such to be a way to maintain political acceptance for climate action (see ***Box 2***).

Box 2. Reporting on livelihoods benefits from climate projects in eThekwini, South Africa

Local officials in South Africa have proven adept at reporting on the local co-benefits obtained from climate action plans and projects. For example, as a host city for South Africa's 2010 FIFA World Cup, eThekwini Municipality decided to offset emissions associated with that event through a series of projects. One such project was the Buffelsdraai Community Reforestation Project. This 284 hectare project sought as a primary benefit to offset around 50,000 tCO_2e. At the same time, project implementers supported unemployed persons in setting up small-scale indigenous tree nurseries at their homes, a livelihoods co-benefit. They carefully documented such co-benefits, including the creation of a total of 24 full-time, 10 part-time and 340 temporary jobs. Local officials have found that documenting such local co-benefits helps to maintain political support for climate action. (https://unhabitat.org/guiding-principles-for-city-climate-action-planning)

(*3*) How effective is the overall institutional set-up of the Project?

At present we discuss: (i) the Project's engagement with external counterparts and stakeholders, and (ii) the institutional set-up of project officers and experts at various levels of government[29].

The **National Institute of Urban Affairs (NIUA)** has proven to be an engaged counterpart, with the Director of NIUA personally providing guidance and expressing support for replication of key Project approaches and tools. While NIUA is not formally a part of the Government, it does enjoy a close working relationship with the Ministry of Housing and Urban Affairs (MoHUA), which at times seems to regard it as its technical arm.

The **CapaCITIES 2 Project Advisory Committee** was intended as the primary structure for the provision of "strategic advice" from other stakeholders active in this space. However, this body has not proven to be an effective institutional means to transmit such advice, for at least two reasons. Firstly, due in part to the impacts of the Covid-19 lockdown, the inaugural meeting of this Committee only took place in January 2023 – too late in the Project implementation period to have much meaningful impact on Project direction. Secondly, the large number of participants (29) in the January 2023 meeting was not conducive to focused advisory discussion. The effort involved in servicing the meetings of such a large and cumbersome body may not seem commensurate with the quality of the guidance received.

[28] In the 9/22 Concept Note for the "Waste to Bio CNG" project in ***Coimbatore***, for example, while analysts identify "at least 500 jobs created" as a co-benefit, what proportion of those jobs are expected to go to the semi-skilled, unskilled, poor, or marginalized is not discussed.

[29] For the Project's Steering Committee and Advisory Group, see Efficiency Question No. 2, below.

While the reviewers note that some engagement with the **Ministry of Housing and Urban Affairs (MoHUA)**, mentioned in the CapaCITIES Project Document as "the nodal Ministry responsible for urban development in the country", has occurred[30], they believe that this relationship could have been further cultivated. This could have taken place in the context of the above-mentioned Project Advisory Committee, if not bilaterally. Such in fact was called for by the CapaCITIES 2 Project Document, which indicated that a representative of the MoHUA should be one of the five "permanent members" of that Advisory Committee. However, neither did a MoHUA representative participate in that body's January 2023 meeting, nor did the organizers officially send a copy of the minutes from that meeting to that Ministry. On the other hand, when interviewed by the review team a representative of MoHUA did not voice any concern that that Ministry should have been more strongly involved in the institutional set-up of the original CapaCITIES 2 Project, as could have been the case[31]. Rather, the ministry representative interviewed seemed content with NIUA serving as the Project's main counterpart.

As suggested above, the Project touches on several urban sectors that are addressed by dedicated national- or state-level Missions, e.g., Smart Cities, FAME, Amrut. However, representatives of those Missions did not participate in the January 2023 meeting of the Project Advisory Committee, nor was such engagement explicitly provided for in the original CapaCITIES 2 Project Document.

Regarding the institutional set-up of project staff: the IAs have assigned considerable human resources in the form of "project officers" (POs) to the eight cities and two states that are participating in the Project. Among other tasks, these 'embedded' officers (who generally sit in or adjacent to the municipal offices) play a role lead in developing the climate action plans for their respective cities. "Project coaches" backstop the POs, while a pool of Swiss and national experts provides additional substantive expertise[32]. In general, the reviewers consider this institutional setup to be a positive feature of the Project. Such sustained support builds trust with counterparts, and indeed the local officials interviewed uniformly expressed appreciation for the POs assigned. The possible drawbacks to this arrangement include: (i) local officials may not absorb new learnings, but rather rely excessively on the POs to do the work required; (ii) POs may in time become excessively identified with, and virtually indistinguishable from, municipal staff, a form of "institutional capture"; and (iii) this approach is not sustainable as POs will leave once project support concludes. The reviewers are not able to conclude how much if at all these concerns have come to pass under CapaCITIES 2. We can, however, note that the risk of such developments increases when staff do not periodically rotate from one location to another, as has sometimes been the case under the CapaCITIES Project.

(*4a*) Have the climate action plans facilitated systematic planning?[33]

This question (and accompanying Effectiveness Question No. 4b, below) lie at the heart of the present review. We begin by offering additional context. The methodology used by the CapaCITIES Project to develop climate action plans is called ClimateResilient Cities Action Planning (CRCAP). This process model has actually gone through three iterations during the life of the Project (see ***Box 3*** and Appendix E for diagrams).

In reviewing the CRCAP methodologies, we note, firstly, that the '*comprehensive*' CRCAP methodology does indeed conform to international guidelines for city-level climate action planning (see ***Box 4***). This planning process is both participatory (Step 1.3) as well as based on scientific evidence gathered primarily via a GHG emissions inventory (Step 3.1) and review of climate risks and vulnerabilities (Step 3.2). Local decisionmakers set targets (Step 4.3). The resulting plan (also approved in Step 4.3) includes actions designed to yield both

[30] The Project IAs report that they held a meeting with the Joint Secretary MoHUA on 2 May 2023 to discuss dissemination of key Outcome 2 outputs and related.
[31] For example, MoHUA is the main counterpart for the GIZ's Climate Smart Cities Project, launched in 2018. The GIZ Project is not dissimilar in scope and design to CapaCITIES.
[32] See Figure 4.3 in CapaCITIES 2 Project Document.
[33] Here we also take up two new sub-questions posed by SDC on 13 June 2023: (i) "What is your evaluation of the CRCAP methodology? Could it be improved?" and (ii) "Are CRCAPs important tools to fulfil the challenges addressed by the National Missions and/or NDCs, or are they mainly important to raise funding? What gap do they fill in the landscape?".

Box 3. What is the ClimateResilient Cities Action Planning (CRCAP) model?

IAs have followed three different versions of the CRCAP process model, as follows:

- *During CapaCITIES Phase 1* – IAs helped the four original Project cities develop climate action plans using the **'comprehensive' CRCAP methodology**. This 'comprehensive' process model includes three major *phases* ('analyze', 'act' and 'accelerate'), broken down into a total of nine *steps* and 27 *sub-steps*. Most steps are supported by one or more *tools*.

- *During the start of CapaCITIES Phase 2* – IAs assisted the four new Project cities develop plans using a **'simplified' CRCAP methodology**. While retaining the original three *phases*, this 'simplified' methodology includes only five *steps* and ten *sub-steps*.

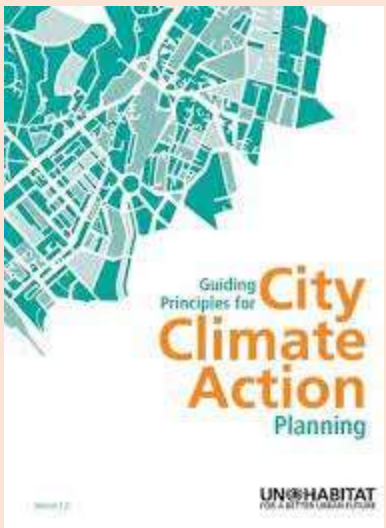
- *At present, during the final part of CapaCITIES Phase 2* – IAs are helping all eight Project cities develop new or updated climate plans using a ***revised version of the 'comprehensive' CRCAP methodology***. We understand that this version (still in draft form, not available for review) has been updated to reflect the GoI's new 'net zero by 2070' policy on GHG emissions[34].

For diagrams of the 'simplified' and 'comprehensive' methodologies, see Appendix E; for process descriptions and most associated tools, see https://www.capacities.org/climateaction .

mitigation and adaptation benefits. Conformity to international standards is confirmed by the badges that, as noted above, the GCoM Secretariat has awarded to several of the Project cities for their climate action plans and supporting analyses.

Box 4. International reference points for city-level climate action planning

UN-Habitat's *Guiding Principles for City Climate Action Planning*, endorsed by 45 institutional partners including the World Bank, GEF, UNEP, UNISDR, WRI, United Cities and Local Governments, and ICLEI – Local Governments for Sustainability, offer a framework for assessing and strengthening city-level climate action planning. (See https://unhabitat.org/guiding-principles-for-city-climate-action-planning)



The *Common Reporting Framework* of the Global Covenant of Mayors for Climate and Energy sets out the key elements necessary to develop and frame an evidence-based city-level climate action plan. (See https://www.globalcovenantofmayors.org/our-initiatives/data4cities/common-global-reporting-framework/)

[34] More specifically, IAs advise: "For net-zero action plans, two target periods are set, with two scenarios each – one progressive scenario and one net-zero scenario. In the previous [comprehensive] CRCAP, one target period was set using the projections tool".

Secondly we note that, while the '*simplified*' CRCAP methodology used at the outset of Phase 2 likewise is indeed systematic, it omits a number of the steps deemed essential by international climate action planning guidelines. Under this 'simplified' approach, a city does not have to inventory GHG emissions, or make a map-based assessment of vulnerabilities. The Project website explains the reasons for this approach: "Project cities are being encouraged to adopt this [simplified] approach… to develop an abridged climate action plan that can support the city's foray into local climate action". In other words (per an IA representative), "The reason for proposing the simplified [process] was to fast-track climate actions in cities". These completed CRCAPs (developed via simplified processes) also reportedly provided for higher scores in the GoI's ClimateSmart City Assessment Framework – an advantage in terms of perception as well as, potentially, funding access.

In practice, the IAs have been assisting all four Project cities that developed 'simplified' climate action plans at the outset of Phase 2 to develop new plans, based on more thorough assessments, under the 'comprehensive' methodology. Those plans are expected to be forthcoming before the end of the present Phase 2. Under this arrangement, the 'simplified' CRCAPs represent merely an interim step in the development of 'comprehensive' plans. Even while this is the arrangement for Project cities, the description of the 'simplified' methodology on the Project website advises that, "at the end of each planning cycle (3 years), the city chooses either to continue to use the simplified CRCAP methodology or transition to… the comprehensive CRCAP methodology".

Thirdly, we note that, per ***Box 3***, the climate action plans currently under development in all eight Project cities actually follow a 'comprehensive' CRCAP methodology that has been slightly modified from its original form. The updated methodology takes the GoI's new 'net zero by 2070' target and applies it in the Project cities using a 2070 planning horizon. While the IAs have informally provided some information on this modified methodology (see footnote 34), neither the modified spreadsheets nor any full plans that apply this methodology have been available for review; therefore, the reviewers are unable to comment on its efficacy.

Finally, as to the question whether the CRCAP methodology "could be improved": the reviewers consider that most such methodologies should be regarded as works in progress and thus subject to improvement. Such methodologies can be approved in at least two ways. Firstly, in the case of an approach like CRCAP that was developed internationally, improvement could take the form of tailoring it to fit more closely to local conditions. For example, the comprehensive methodology includes a 'country profile' tool (Tool 2.1). In the case of India, perhaps an additional 'state profile tool' would be useful, to promote strengthened multilevel climate governance. Secondly, comparative review of planning methodologies is also helpful. For example, as part of its climate action planning toolkit, C40 offers a suite of tools on "how to embed equity and inclusivity in climate action planning"; this theme is not strongly developed in the CRCAP methodology. Space does not allow for a thorough review of the CRCAP methodology at present; nor is its full suite of tools available for review (see below). Making the methodology available for peer review from both national and international perspectives most likely would lead to a strengthened approach.

(*4b*) Have the climate action plans been incorporated in the city's planning and decision-making process for mitigation and adaptation?[35]

This question addresses what the CapaCITIES 2 Project Document calls "the primary focus" of the Project: "To… enable integration of climate considerations in every-day urban planning decision-making and implementation". The aim of such integration is to institutionalize pro-climate practices so that they will outlast the end of the Project and extend to other ULBs.

Firstly, we can mention that, as noted above, the Municipal Corporations of ***Rajkot***, ***Udaipur*** and ***Coimbatore*** have begun to allocate resources to climate actions in their annual budgets – a positive development. At the same time, more thoroughly embedding such considerations in the annual budget cycle would require changes at the national and state levels in relevant regulations and guidelines. A recent experience in ***Udaipur*** makes

[35] As noted, the following discussion focuses on the city level. For a review of "institutionalizing tools, learnings, actions at the *state* and *national* levels", see Response to the following Effectiveness Question (No. 5).

this clear. In that project city, the MC actually included a subheading entitled 'climate resilient city action plan' in its 2020-2021 budget; however, this practice was not continued in subsequent annual budgets as officials reverted to the official budgeting format. Truly institutionalizing such a change would entail an update to the nationwide Municipal Accounts Manual (under the stewardship of MoHUA and Office of Controller and Auditor General), which would then be reflected at the state level.

Similarly, institutionalizing climate action planning at the local level, with plans periodically updated at specified intervals, would entail changes in the enabling framework at the national and state levels. The Project Document explicitly provided for this, at least at the state level:

> In order that the CRCAP is effectively adopted in urban development processes, targeted efforts will be made to anchor the CRCAP in the Urban Development Departments at the State level. Engagement with the Town and Country Planning Department at the State level will also be initiated in order to encourage and support the inclusion of climate considerations in planning & development guidelines.

This is reflected in Output 1.3, "Institutionalisation of the urban climate action planning process at the state level", in the Project logframe. Per a recent status report this state-level work is ongoing (see discussion above).

Another area of possible institutionalization of climate considerations into local level planning processes would involve engagement of the Project with Urban Development Authorities (UDAs) and a related type of entity, Urban Improvement Trusts (UITs). These entities are responsible for local level land use planning, not only in rural areas but also often within the boundaries of municipal corporations[36]. Some Project outputs (e.g., map-based vulnerability assessments) would certainly be relevant for certain UDA plans. However, such engagement is not clearly provided for in the CapaCITIES 2 Project Document. While the ProDoc generally indicates that "there is a need for intensive and regular engagement at the city level for effective adoption and integration of climate action in urban development processes", UDAs and UITs are not explicitly noted in the "landscape of public sector target groups" that the Project should target. Moreover, IAs rightly point out the challenges of influencing, e.g., UDA-led master plans, which are developed on a twenty-year cycle, unless those cycles happen to coincide with CRCAP planning processes. As a result, while UDAs and UITs have been lightly involved as "stakeholders" in CRCAP planning processes (e.g., the MC in ***Tiruchirappalli*** approved a 27-member "stakeholder team" that included, among others, the Trichy District Town and Country Planning Office), little impact of CRCAPs on UDA-produced master plans can be expected – nor have the reviewers detected such.

(*5*) Has the project been effective in institutionalizing tools, learnings, actions at the state & national level[37]?

'Institutionalizing' tools and learnings – getting them incorporated into regulations or accepted as standard practice – takes time and effort. Such impacts may well result only after a project has ended. At the *state* level, in ***Tamil Nadu*** the CapaCITIES Project can report some success to date in institutionalizing tools and learnings. Drawing on the Project's 'Basket of Solutions" (BoS) tool, the IAs helped ***Tamil Nadu*** develop its "Urban Livability Framework" (TNULF). This Framework is now live at About Us - Swachh TN Portal Swachh Bharat Mission Urban, with a link for municipalities to upload information; it is thus 'institutionalized'. Review shows that, while the parameters used in the TNULF are much more detailed than those in the BoS, some 30 out of the 38 BoS parameters can be said to be reflected in the TNULF. State officials explicitly acknowledge the CapaCITIES 2 contribution to this Framework[38].

[36] Per the IAs, among the eight Project cities Udaipur is an exception here. See "Institutional Framework for Services in Selected [CapaCITIES] Cities", provided by the CapaCITIES 2 IAs, April 2023; available upon request.

[37] 'Instititutionalizing' tools can be considered to be the most advanced form of 'dissemination and outreach', as under this arrangement Project-developed tools have been so taken up and accepted by others that they are made mandatory or represent standard practice. For 'dissemination and outreach', see Effectiveness Question No. 7, below. For institutionalizing approaches (primarily to climate action planning) at the *local* level, see Effectiveness Question No. 4, above.

[38] See Memo from Thiru. P. Ponniah, IAS, Director of Municipal Administration GoTN, to the Additional Chief Secretary to Government, Municipal Administration and Water Supply Department, May 2023.

An additional promising development is at an advanced stage in Tamil Nadu. The Project team provided input into the Disbursement Linked Incentives (DLIs) of the Tamil Nadu Urban Development Program currently under development[39]. Under one DLI, the 30 participating Urban Local Bodies would need to prepare "city climate action plan[s]". Moreover, in April 2023 the World Bank invited ICLEI SA (a CapaCITIES IA) to begin to build the capacity of those ULBs on developing such plans – a strong (albeit informal) encouragement to those bodies to use the CRCAP methodology.

At the *national* level, as noted above the Project provided extensive support to the GoI in developing and testing its Climate Smart Cities Assessment Framework (CSCAF) 2.0. This framework is being rolled out to increasing numbers of cities and is cited in the GoI's new (Nov 2022) *Long-Term Low-Emission Development Strategy*; it is thus 'institutionalized'. More recently, also as noted above, the recent appointment of the ICLEI SA Executive Director to the committee charged with updating the national Urban & Regional Plan Formulation Guidelines represents a promising route to embedding Project learnings and approaches in those Guidelines.

In the reviewers' opinion, while the Project should certainly disseminate and offer training in the CRCAP methodology, it should not seek to have it *institutionalized* per se as 'the' preferred approach to city-level climate action planning in India. While the methodology in its 'comprehensive' version conforms well with international guidelines as discussed above, it is only one of a range of different planning approaches, developed by different organizations, that do so. Therefore, it would be a mistake for the GoI to privilege a particular approach or tool such as CRCAP. This opinion is congruent with IA "advice to the GoI", that "not one specific methodology should be proposed for use – each city should be free to choose a methodology".

(*6*) Was the project able to effectively adapt its strategies keeping in view the changing external policy and implementation environment?

The review team considered project management responses to two such changes to the implementation environment during the Project's period of performance: (1) the lockdown response to the Covid-19 pandemic beginning in March 2020, and (2) the new or updated climate policies that the GoI announced in 2022.

Covid-19 lockdown. The first big impact to implementation of the CapaCITIES 2 Project began around 24 March 2020. On that date, the Government of India declared the then rapidly-spreading Covid-19 pandemic to be a "disaster" per the Natural Disaster Management Act. This quickly led to a lockdown. At this remove, the review team does not consider itself to be well positioned to assess the effectiveness or wisdom of the CapaCITIES 2 Project response to those developments. Local officials interviewed seemed to echo what was reported in the 3 July 2020 meeting of the CapaCITIES 2 Project Steering Committee, that "On-the-ground support provided to the cities during COVID-19 was much appreciated". Not surprisingly, given the nature of that emergency, some of the support provided to cities during that period (e.g., mapping the location of Covid victims in ***Ahmedabad***) addressed immediate urgent requirements rather than formal Project goals. This circumstance seems understandable given the magnitude of the emergency. During this same July 2020 meeting, the Steering Committee appropriately directed the IAs to "revisit the 2020 budget and work plan due to [the] Covid-19 situation". The review team believes that the no-cost extension of CapaCITIES 2, requested by the IAs and granted by SDC to address the impacts of the Covid lock-down on Project implementation, was an appropriate 'adaptation' to this unexpected and significant development.

New GoI climate policies in 2022. In 2022, the GoI updated its *Nationally Determined Contribution* (NDC) under the Paris Agreement (in August), and then released a *Long-Term Low-Emission Development Strategy* (in November). This latter *Strategy* reaffirms, inter alia, a commitment to achieve net-zero emissions by 2070. The IAs report that they are responding to these developments (and particularly the latter) by adjusting their 'comprehensive' CRCAP methodology and helping all eight cities to develop climate action plans that reflect

[39] See Concept Stage Program Information Document (PID) - Tamil Nadu Climate Resilient Urban Development Program - P179189 (worldbank.org).

this 'net zero by 2070' target. This is indeed a response to changes in the policy environment. The reviewers, however, believe that a more considered response would have involved a reflection on and discussion of the implications of the new policies in the context of the Project Steering Committee prior to taking action. For example, the updated NDC includes several updated emissions-related targets for 2030; how if at all should they be addressed? The new Long-term Strategy sets forth seven "low-carbon development pathways", including several that touch the urban sphere; should they be reflected more explicitly in how actions are prioritized and presented in city climate action plans? Will cities need to reach the net-zero target before or at the same time as the rest of the economy? Will small cities need to respond on the same timeline as megacities? Thorough responses to certain of these questions might well involve modelling that lies outside the IAs' present scope of services (see ***Box 5*** for a similar situation faced by C40). At the same time, at least some of these questions could have been taken up by the PSC with a limited amount of supporting analysis.

Box 5. C40 cities determine their 'fair share' in reaching Paris targets & plan accordingly

In 2016-2017, C40 Cities Climate Leadership Group assessed the implications of the newly released (2015) Paris Climate Agreement and its aspirational target of "limiting temperature rise to 1.5 degrees above pre-industrial levels". Their *Deadline 2020* report sought firstly to identify "C40 cities' share of the remaining global carbon budgets to 2100". It then sought to establish "target emission trajectories for… individual member cities that enable these budgets to be met". This modeling led to a strong recommendation to participating cities that they take ambitious action *as soon as possible*. Since then, such modeling has informed ambitious climate action planning in C40 cities. (See https://www.c40.org/wp-content/uploads/2021/07/Deadline_2020.pdf)

(*7*) Has the project undertaken effective dissemination and outreach[40]?

Perhaps the easiest way to disseminate tools and learnings to the public is via the CapaCITIES Project website (https://www.capacitiesindia.org). This could be better used to disseminate tools and learnings. For Outcome 1, both the overall 'simplified' and 'comprehensive' Phase 1 methodologies are available, which is positive. However, while CRCAP Tools Nos. 1.1 to 4.3b are available, Tools No. 5.1 to 9.3 are unfortunately pending. Outcome 2 tools are even less available. Under 'Climate Resilient Infrastructure', the Project website only offers a series of descriptions of city-specific 'quick win' and 'bankable' projects – it does not provide the more generally applicable tools that have been developed under Outcome 2.

The *national* scale is an important level for both dissemination and outreach. Here dissemination occurs primarily via NIUA. This is the appropriate national-level channel, particularly since the Institute is positioning itself as a knowledge hub and is actively promoting a collaborative, network approach (including with key training institutes) to promoting sustainable urban development. The Project team disseminated knowledge at the NIUA Pavilion at a 'Smart Cities, Smart Urbanization' event organized by MoHUA in April 2022.

The NIUA website could be used more thoroughly to disseminate Project tools and learnings. At present, only five CapaCITIES-branded knowledge products come up at the NIUA website under 'Publications' (https://niua.in/publication) – the 'comprehensive' and 'simplified' CRCAP methodologies, plus three 'thematic

[40] For present purposes 'dissemination and outreach', addressed here, is considered to be distinct from 'capacity-building', addressed under Sustainability Question 2, below. Dissemination and outreach generally represents a lighter form of engagement with external stakeholders or others than does capacity-building.

briefs'[41]. At the NIUA-hosted *Climate Centre for Cities (C-Cube)* knowledge platform, a part of the NIUA website (https://niua.in/climate-centre-cities), only the two CRCAP methodologies appear. On both webpages, even when the overall CRCAP process models are made available, the essential set of tools that supports the steps in those processes are not. Nor does either site seem to include any 'Output 2' knowledge products. In additional to such postings, the current effort by the team to package key tools and learnings in digestible 'capsules' per NIUA's request may well prove to be an effective route to further dissemination. IAs should also seriously consider any additional NIUA guidance on packaging tools and learnings for dissemination, e.g., via the *National Urban Learning Platform* that NIUA anchors (https://nulp.niua.org).

At the *State* level, the embedding of Project staff in ***Chennai*** and ***Gandhinagar*** offers an excellent conduit for dissemination and outreach. The CapaCITIES-organized Best Practices Workshop, held in Chennai in April 2022, offered a forum for dissemination, outreach and capacity-building. It attracted officials not only from the eight Project cities but also from state-level departments in Tamil Nadu, as well as a limited number of other cities participating in the Smart Cities mission. Additional state-level events would be useful to disseminate findings and tools at that level, as indeed the IAs report planning to undertake before the end of the Project. *Globally and regionally*, the Project's engagement has been fully adequate, with reporting to the CDP/ICLEI Platform and presentations at several relevant global and regional fora.

(*8*) Are there any recommendations so as to increase the effectiveness until the end of the project?

(For such recommendations, see Chapter 3, below.)

Overall conclusions regarding Project effectiveness: The Project has partly achieved its Outputs and Outcomes. With concerted effort, virtually all Outputs and Outcomes look achievable by the end of the Project.

2.3 Efficiency

The OECD (2018) describes the "***efficiency***" criterion as "How well are resources being used?" "The extent to which the intervention delivers, or is likely to deliver, results in an economic and timely way." It "looks at **inputs** relative to… **outputs**, **outcomes** and **impacts**". Inputs here include Project resources used for salaries, travel, etc., as well as direct support to city-level projects ('sub-projects'). While noting that the present review is not intended to be an external audit of the CapaCITIES 2 Project, we respond to 'efficiency' questions as follows:

(*1*) Is the use of SDC funds allocated for CapaCITIES project utilized efficiently?

We explore three aspects of efficiency in the use of SDC resources, beginning with a basic question but then examining the city-level projects targeted for in-depth support, as follows:

Were resources used as intended? In general, the IAs appear to have spent resources per the budget to produce outputs and work towards outcomes per the Project's Logframe. As noted above, some deviations from this arrangement occurred during the Covid-19 pandemic beginning in March 2020, but such changes were appropriately cleared by the Project Steering Committee and were responsive to that emergency.

Were city-level projects developed in an efficient manner? One aspect of this question has to do with the deployment of national versus international experts to produce outputs. Here the general rule is to use national consultants as much as possible, both for reasons of efficiency (e.g., for lower travel costs) as well as, at times, to build in-country capacity. International consultants should be fielded sparingly, e.g., where they can provide specialized expertise that is difficult to find in-country. While it is hard to make definitive statements about such, the IAs did avail themselves of local expertise. For example, to develop two city-level sub-projects

[41] Here we consider capacity building and decision support tools beyond the city climate action plans per se.

in ***Coimbatore*** (waste-to-CNG, floating solar) and one in ***Udaipur*** (Green Mobility Zone), the IAs hired a national consulting firm and paid it the equivalent of CHF 18,131, 31,183 and 19,971, respectively, for the three sub-projects. Here, international engagement was limited to backstopping. South Pole did assign international experts where needed for niche work, e.g., on plastic or carbon credits in ***Gujarat*** – but counterparts have all expressed appreciation for such specialized assistance. Moreover, South Pole advises that, where possible, international experts provided backstopping remotely – a further savings in travel-related expenses.

Otherwise regarding city-level project development: one interviewee noted that the screening process used to select a project for in-depth support under Outcome 2 was "complicated", while another described the process followed to develop those projects, from concept note to bankable project report, as "very elaborate". This may suggest, anecdotally, that such processes could have been simplified, e.g., by using fewer selection criteria or shorter concept notes in decision-making support. This would have reduced the costs of those activities, with some gains in terms of efficiency of delivery.

Were grant resources leveraged? To increase efficiency, Outcome 2 of the Project incorporated the key concept of 'leveraging': funds were not to be just disbursed as grants, but rather were used to mobilize additional resources; this increased their productivity, or efficiency. The resources thus leveraged could come from either municipal budgets, or else (preferably) from other public sources or the private sector[42]. As noted above, to date participating MCs have indeed committed budgetary resources to implement climate projects, while substantial investment from other (non-municipal) public and private sources is in the pipeline (see above).

Grantors can also be said to deploy grant resources efficiently when such funds are used to "demonstrate" unfamiliar new technologies that later lead to substantial investment by public or private economic actors. By this measure, some of the 'quick win' projects supported by the Project (up to a ceiling of roughly INR 7.5 million or CHF 82,500 per city in Phase 2) represent an efficient allocation of resources. For example, 'quick win' grant resources invested in 1.5 TPD biogas plant in ***Coimbatore*** are helping to encourage that city to make substantial investment in an upscaled 200 TPD bio-CNG plant. The Project is further supporting that latter effort through a feasibility study; the resulting public-private partnership planned would further crowd in private resources to this investment.

(*2*) Have the overall project steering and management been efficient[43]?

The Final Review of the previous phase (Phase 1) of the Project included several recommendations that sought to improve project steering and management[44]. This suggests that effective management was a work in progress during the previous phase. However, the review team did not detect any major concerns in this area during its evaluation of the Phase 2 Project. The Project featured two main mechanisms for project steering and management, discussed as follows:

The structure of the **Project Management Team** is unorthodox in that, per the CapaCITIES 2 Project Document (p. 64), it has two "Co-team Leaders", one with ICLEI South Asia and one with South Pole. A single team leader is a more accepted arrangement for efficient, effective project implementation; a shared leadership arrangement can run into trouble if the two co-leads develop divergent visions on project aims or do not coordinate well on implementation. However, during its field visit the review team did not note difficulties in this area; on the contrary, effective coordination seems to have been the rule.

[42] Note the Key Indicator for Output 2.2 in the Project logframe: "Financing secured from other sources (beyond municipal budgets) for implementation of co-financed projects"; to be verified through "co-financing agreements".
[43] The present response focuses on the Project's Management Team and Steering Committee. For other dimensions of project management and engagement with partners, see response to Effectiveness Question No. 3, above.
[44] Examples: "Encourage coordination meetings between Swiss experts". "Recommend stronger joint decision-making between Indian and Swiss experts on [various topics] for better coordination of the Indo-Swiss partnership". "Consider adapting the contractual issues to assure good cooperation between all actors, i.e., put all subcontractors on equal footage with the same 'line of command' to avoid sidelining". See Final Report, "Review CapaCITIES Project, Phase 1", pp. 3-4.

The **Project Steering Committee (PSC)**, chaired by the Head of SDC India and including the two co-team leaders of the IAs, seemed to function as intended in the CapaCITIES 2 Project Document. It has been meeting formally two times per year, as planned, with an appropriate shift to virtual meetings during the height of the Covid-19 pandemic. Such meetings are an appropriate forum to deliberate on major considerations as to the Project's strategic direction, with decisions duly minuted. As noted above, minutes of the most recent (March 2023) PSC meeting did not include any discussion of the proposed Project response to the GoI's new and updated climate policies of 2022; such developments could well have been taken up by the PSC. Otherwise, outside of the PSC, SDC has constructively engaged with the Project in various ways, including visits to Project cities, interventions at training events, and formal SDC sign-off of city-level projects identified for in-depth support.

Overall conclusions regarding Project efficiency: Project implementation generally seems to have been efficient. Streamlining certain internal procedures to yield further efficiencies may be worth exploring.

2.4 Impacts

Per OECD guidelines, under this criterion we consider "higher-level effects", including "longer term [and] enduring changes in systems or norms". These are less immediate and longer-term than the "closely attributable results" considered earlier under "effectiveness" (OECD, 2018).

(*1*) Has the project managed to bring positive, sustainable and expected impacts on low emission development and climate resilience related policies and processes at the relevant level (national, state and city)?

City-level impacts. IAs report that the CapaCITIES 2 Project has helped the four cities that have been participating from Phase 1 reduce their total annual GHG emissions. A March 2023 status report indicates reductions in annual emissions from a 2015-2016 baseline of 33 per cent in ***Coimbatore***, 14 per cent in ***Rajkot***, 15 per cent in ***Siliguri***, and 18 per cent in ***Udaipur***[45]. Impacts are less well documented in terms of the adaptation of people or urban systems to climate change – but, globally, systems and indicators to monitor such adaptation achievements are less well developed or standardized than are mitigation measures.

State and national-level impacts. As noted above, at the *state* level the Project has institutionalized most of its 'Basket of Solutions' structure in Tamil Nadu's Urban Livability Framework, and has made strides in embedding city climate action planning in the Disbursement Linked Incentives of an urban World Bank loan in that state. Also as noted above, further state-level impacts per the Logframe are pending. At the *national* level, the Project made a substantive contribution to the Climate Smart Cities Assessment Framework 2.0, embedded in governmental policies and review processes. The Project may achieve further such impacts in the near future.

(*2*) Are there any unexpected impacts?

The CapaCITIES 2 Project Document and Logframe do not discuss or anticipate "transformative change" in participating cities – and it is admittedly challenging to frame an indicator to properly capture this – but such is worth considering as an "unexpected impact". Consideration of "transformative change" has been increasing in the climate change literature over the past decade. It can be described as "a change in the fundamental attributes of a system" (UNDP). As applied to adaptation, it can involve "a strategy that aims to reduce the root causes of vulnerability to climate change in the long term"[46]. On the mitigation side, any pathway that would lead to net zero carbon emissions would, almost by definition, involve transformational change. Embracing truly transformative (as opposed to incremental) change entails strong and sustained leadership from the top.

[45] As reported by the IAs. Independently verifying such reported results lies outside the scope of this review.
[46]Italics added. For discussion, see https://www.conservation.org/docs/default-source/publication-pdfs/transformative-adaptation-to-climate-change-for-sustainable-social-ecological-systems.pdf?Status=Master&sfvrsn=85c733c1_3.

While hard to quantify and measure, the review team detected some evidence of "transformative change" in the most advanced of the Project cities. Examples:

- In ***Udaipur***, the City's determination to proceed (with Project support) with establishing a "Green Mobility Zone", even despite hiccups while implementing an earlier pilot, betokens fundamental change from business-as-usual. The GMZ initiative would involve the coordinated action of several different corporation departments, not to mention other actors; it would also require significant community outreach and an effective information campaign. While its benefits could be far-reaching, the possible downsides of a poorly planned and executed plan could be substantial. As such, this initiative is a far cry from more basic climate 'baby steps' such as replacing conventional light bulbs with LED lighting, and as such can be considered as 'transformative'.

- In ***Coimbatore***, the magnitude of the scale-up in waste-to-energy from a 1.5 TPD pilot biogas plant to a 200 TPD plant, and the even more ambitious climate plans under discussion in the city, signal that transformative thinking has taken hold.

- In ***Rajkot***, the budgetary resources that the MC has allocated in recent years to climate action (with associated monitoring system), as well as the scale-up in investments from initial demonstration activities, betokens a change in mindset.

Other such examples of transformative thinking, e.g., approval of climate plans that include clear roadmaps towards net zero emissions targets, or large-scale projects, may well emerge in the Project's final months.

The review team also considered whether Project grants or assistance in accessing grants or concessional loans was dampening efforts by cities to generate local revenues or seek market-rate credits from the capital market. At scale, such an "unexpected impact" would inhibit market development and be counterproductive. The reviewers found no evidence of such. On the contrary, of the two creditworthy Project cities, ***Vadodara*** issued municipal bonds during the Project period (in March 2022), while ***Ahmedabad*** issued bonds during the final months of CapaCITIES Phase 1 (in January 2019) and has expressed interest in issuing more[47].

Overall assessment of Project impacts: The Project has begun to achieve more far-reaching impacts, and there is potential for more such high-level effects in the near future.

2.5 Sustainability

'Sustainability' can be summed up in a simple question: "Will the benefits last?" (OECD, 2018).

(*1*) Do the current results, interventions, tools, capacity building instruments, etc. have the potential to be sustained, upscaled and replicated? What are the accelerating or limiting factors?

This question was partly answered above, in the response to Effectiveness Question 5 which examined the "institutionalization" of tools and learnings. The present Question offers the chance to reflect more deeply on the factors that could accelerate or hinder the future upscaling or replication of key Project tools and instruments, prior to framing pertinent recommendations in Chapters 3 and 4, below.

Accelerating factors. Factors in the enabling environment that increase the likelihood that tools and capacity-building instruments increasingly will be upscaled and replicated include the following:

[47] See https://indianexpress.com/article/cities/baroda/vadodara-municipal-corporation-raises-100-cr-through-municipal-bond-7835305/ and https://timesofindia.indiatimes.com/city/ahmedabad/ahmedabad-aims-to-issue-green-bonds/articleshow/93283766.cms.

- ✓ *An increasingly favorable Government of India policy framework*. As noted above, in 2022 the GoI released an updated NDC and a *Long-Term Low-Emission Development Strategy*. These policies offer multiple possible entry points for both mitigation and adaptation action in cities.
- ✓ *An active national counterpart that favors climate action in cities.* As noted above, NIUA has actively supported the Project. The Institute is increasingly playing the role of a knowledge platform and hub of training institutions in the area of sustainable urban development, including climate planning.

Limiting factors. Factors that could limit future replication and uptake include the following:

- ✓ *Lack of a statutory basis for climate action planning and spending at the local government level*. As noted above, without such mandates local officials may well forego periodic planning for climate action, or neglect to allocate resources for such actions in their budgets. Climate actions also may be cut short if and when local officials who are climate champions are replaced or move on.
- ✓ *Complex, even fragmented institutional framework for planning and development at local level*. The fact that the functions of land use planning and coordinating infrastructure development fall to an Urban Development Authority that is distinct from the Municipal Corporation complicates efforts to promote local level climate action planning.
- ✓ *Limited direct Project linkage to key state-level capacity-building and training institutes*. IAs have engaged to some extent with training institutions via NIUA networks. They have also engaged directly with a limited number of state training institutes (e.g., Tamil Nadu Institute of Urban Studies) on certain ad hoc efforts; such is all to the good. At the same time, more direct, MOU-supported linkages to one or two more such institutions, e.g., one in Tamil Nadu and one in Gujarat, would offer an additional vector for placing Project capacity-building materials in the hands of educators.
- ✓ *Little direct linkage of participating cities to local sources of scientific knowledge about climate change*. The ability of cities to access local knowledge and expertise, including via local institutes of research and higher learning such as universities, is important. This is particularly the case in the fight against climate change, wherein the scientific body of evidence that underpins action is rapidly evolving and where global and regional climate models need to be downscaled to understand local impacts. To address this circumstance, some cities elsewhere with local universities have actively established standing scientific committees as a way to tap into and develop local climate knowledge (e.g., see ***Box 6***). Such relationships can and should outlast time-constrained donor-driven initiatives and projects. To date, the IAs have subcontracted with certain local academic institutions to provide CapaCITIES Project inputs, e.g., support from Anna University in Chennai to ongoing solid waste management activities in ***Tirunelveli***. Building on such relationships, the IAs could now step back and encourage the participating Municipal Corporations build relationships *directly* with local institutions of higher learning, supported by MOUs as appropriate, to help inform ongoing climate action.

Box 6. Building links with local climate researchers and scientists: Quito, Ecuador

In 2010, early in its evolving effort to address climate change, the Municipality of Quito, Ecuador established a "Panel on Climate Change". Its aim was to commission scientific studies by leading Ecuadorian experts and scientists to better understand the impacts of climate change on the city. The Panel was set up in acknowledgement of the importance of incorporating scientific expertise into decision making on climate action. Source: https://unhabitat.org/guiding-principles-for-city-climate-action-planning	

Current status of Project tools and capacity-building instruments. Aside from the above-mentioned factors in the external enabling environment that limit uptake of Project materials, we also note that, at present, one finds the tools and capacity-building instruments in the Project's toolkit to be at an uneven state of development. On the one hand, some of the 'Outcome 2' capacity-building modules (e.g., Module 2: "Designing 'bankable' climate resilient infrastructure projects') appear to be finalized. They feature practical 'how-to' guidance helpfully fleshed out and illustrated by mini-case studies drawn from city-level Project experiences. On the other hand, the team could locate only introductory, not in-depth, capacity-building materials for the CRCAP methodology and associated tools that form the heart of 'Outcome 1'. Even when such materials appear finalized, as noted above they are not always completely available via websites. At the same time, at present the IAs are responding to the NIUA's request to repackage such materials as easy-to-digest 'capsules' that include video clips, per that Institute's vision of how to replicate. More fundamentally, defining an updated list of the core (i.e., limited number of) tools and capacity-building instruments that the Project wishes to refine and bequeath to partners and counterparts at Project close appears in order (see below).

(*2*) Are the responsible authorities capacitated? That is, do they dispose of the needed processes and guidance in order to continue the implementation of climate actions?

Throughout its period of implementation, CapaCITIES 2 has carried out extensive capacity-building, both through formal training sessions as well as via hands-on training. Formal capacity building has taken place at both the national (e.g., National Best Practices Workshop in Chennai, April 2022) and the city levels. However, to date the CapaCITIES Project has collected little data upon which the present reviewers can construct an evidence-based response to this question. Please note the following:

An overall tool to assess the level of capacity of participating municipal officials vis a vis climate action planning seems to exist: it is Tool 6.1 ("City Staff Training Needs Assessment") in the 'comprehensive' CRCAP methodology. Unfortunately, in practice it does not appear to have ever been actually applied under the CapaCITIES Project; nor is it available for review on the CapaCITIES website[48].

Following trainings provided to date, the Project has not conducted any surveys of participant satisfaction. Nor have participants been given a chance to qualify for test-based certificates following completion of courses, as is the case for offerings at NIUA's National Urban Learning Platform (https://nulp.niua.org/).

In the absence of such evidence, the reviews can only report anecdotally that virtually all of the officials interviewed appeared to have at least a basic grasp of some of the key concepts and terminology of global warming and climate action planning; this is all to the good. For Recommendations that address building capacity, applying the CRCAP Tool 6.1, and gathering other evidence relevant to the present question during the final months of the Project, see below.

(*3*) Are there any recommendations so as to increase the sustainability of the project until the end date, i.e., June 2024, or beyond?

(For Recommendations on such, see Chapter 3 and 4, below.)

Overall conclusions regarding Project sustainability: Core Project learnings and tools have the potential to yield enduring impact. Embedding climate action planning into national- and state-level regulations and guidelines represents a pending key challenge to achieving such. For recommendations to this and related ends, see below.

[48] IAs advise (June 2023): "Such an assessment will be completed before the next 'best practices' workshop and will be shared with C-Cube and GCoM", both for their information as well as to help them plan future trainings.

3. Recommendations for the Project between now & end of the Project

Building on the previous findings, the reviewers offer the following recommendations as a way for the project team to maximize positive results by the end of the present Phase 2[49]:

At this point in the implementation cycle, the IAs should: *(1) Focus implementation energies on completing Outputs and achieving Outcomes per the Project's Logical Framework.* Generally the team should work to consolidate the existing suite of capacity-building tools, rather than trying to develop new tools. They should focus on pending activities at the local, state and national levels, but *not* at the international level; international engagement is relatively expensive and has been quite adequately covered to date. Another meeting of the Project Advisory Group as currently constituted does not look like a good investment of scarce energies.

To better focus finite resources during the remaining months, the IAs should firstly: *(2) Develop and then execute a Project Close-out / Sustainability Plan*[50]. Broadly speaking, developing such a Plan offers SDC and the IAs a chance to reflect on the 'end-of-project vision' as articulated on pp. 61-62 of the original CapaCITIES 2 Project Document. But more practically, this Plan (with timeline) should identify pending items from the CapaCITIES Logical Framework, and then assemble and sequence corresponding activities into a coherent close-out package. It should thus guide (at least at a high level) the work of the three IAs at the national, state and local levels, with knock-on modifications to local-level work plans as needed. At the same time, the process of developing the Plan would offer the IAs a chance to formally request any needed modifications to the logframe, as may well be appropriate for a multi-year project operating in an evolving environment. To such ends, the SDC should formally review and approve the Close-out/Sustainability Plan.

The Close-out / Sustainability Plan should address all three Outcome areas. At the same time, where possible it should work *across* Outcome area, e.g., in:

- ✓ Identifying the 'definitive' shortlist of capacity-building and decision support tools that will represent one of the Project's chief legacies. This set could include some or all of the suite of tools that support the overall CRCAP methodology[51].
- ✓ Agreeing on common formatting, branding & packaging of those materials, noting NIUA requirements.
- ✓ Articulating how best to build capacity using those tools. At the *national* level, this might include co-organizing (with NIUA and its networks) a 'training of trainers' for selected training institutions, and/or a 'best practices' workshop and a closure workshop (per logframe). At the *state* and *local* levels, this could entail directly involving one or two training institutions in providing close-out capacity-building (per logframe). For all remaining capacity-building events, survey participants immediately after such sessions to gauge participant satisfaction with the training provided.
- ✓ Planning how best to disseminate tools and learnings, in both soft and hardcopy.
- ✓ Incorporating planning and 'access to finance' considerations as possible into state and national-level guidelines (per logframe; see further discussion below).
- ✓ Devising a "strategy for accessing data after the project period"[52], and so on.

At the same time, we offer some recommendations for individual Outcome areas, as follows:

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[49] Note that, while SDC has granted a no-cost extension through June 2024, the IAs advise that remaining budget is only sufficient for the Project to remain active on the ground through around December 2023, with only limited close-out activities occurring thereafter.

[50] This is consistent with a recommendation from the earlier review of the Phase 1 Project: "Make sure that the phasing-out of the project (when it happens) is carefully done".

[51] For example, the NIUA Director specifically mentioned the need of local governments for practical guidance on how to form cross-departmental working groups to take climate action. CRCAP Tool 1.2 ("Climate Core Team") could form the basis for more India-specific guidance on this topic.

[52] This is necessary, "as the CapaCITIES website won't be operational post project period". Minutes, CapaCITIES 2 Project Steering Committee, 3 July 2020.

Outcome area 1 (planning for climate action). As noted above, IAs have advised that the end-of-project aim is for all eight Project cities to develop and approve updated climate action plans using a revised version of the 'comprehensive' CRCAP methodology. Bearing this target in mind, we offer the following recommendations.

As part of – or, preferably, prior to – strengthening the forthcoming batch of climate action plans, the IAs should: *(3) Help Project cities complete pending sub-steps of the CRCAP methodology*[53]. Depending on the city, this might include: (i) assessing current staff training needs (Step 6.1), (ii) more thoroughly documenting MC budgetary investment in climate action (Step 6.2), and (iii) reflecting with stakeholders on the strengths and limitations of the existing plan (Step 8.2). This would be a useful input to the forthcoming plans.

(4) Strengthen the forthcoming final batch of climate action plans in the eight project cities. Based on a review of existing plans, following participatory processes the new plans should:

- ✓ Explicitly prioritize certain adaptation actions in those wards identified as the most vulnerable.
- ✓ Work with local stakeholders to develop a pro-poor jobs and livelihoods dimension to at least some of the planned actions, making such explicit in the description of the actions.
- ✓ Quantify expected adaptation benefits from at least some of the prioritized actions, with corresponding indicators in the plans' monitoring frameworks.
- ✓ Include not only 'hard' measures such as bricks-and-mortar solutions, but also, as appropriate, 'soft' measures (e.g., policy reform, information campaigns, capacity building, institutional relationships).
- ✓ Include 'transformative' actions as possible, defined per above.
- ✓ Explicitly reference and demonstrate cross-linkages where possible to state-level climate action plans.
- ✓ In Ahmedabad, continue to work with C40 with the aim of helping that city finalize a climate action plan that meets both C40's and CapaCITIES's expectations.

(5) Undertake targeted dissemination, outreach and discussions around the final climate action plans and planning processes. At the *local* level, this could take the form of 'City Dialogues'[54]. At the *state* and *national* levels, SDC and the IAs should arrange for sharing the approved climate action plans (as well as the underlying methodology followed) with interested IFIs, particularly the ADB and the World Bank but potentially also AFD and KfW. Care should be taken so that presentations showcase only that subset of cities that are of particular interest to those financiers. This could help mobilize financing for certain planned climate actions. While ideally these presentations would feature *approved* plans, given the realities of the IFI programme development cycle it may be preferable to present advanced drafts of the city plans in a timely fashion, rather than wait till plans are fully finalized and miss the boat. At the same time, disseminate the CRCAP 'comprehensive' planning process, together with its full suite of tools, via both the Project and the NIUA websites.

(6) Encourage and support all Project cities to obtain the GCoM 'badges' for which they qualify. This practice, building on the example of several Project cities, would represent strengthened engagement with GCoM.

For more sustainable climate action planning, where possible: *(7) Help cities establish direct, ongoing relations with local researchers and academicians who could help generate and translate scientific knowledge about climate change to the local level.* This engagement could occur through participation in a standing scientific advisory body to those cities. Such relations could be supported by Memoranda of Understanding directly between MCs and academic institutions, not necessarily mediated by the IAs. Also, for greater sustainability: (*8*) *Encourage and support Project cities to convert their internal Climate Core Teams, and/or external Stakeholder Committees, set up for ad hoc project purposes, into standing coordination and advisory bodies*.

[53] The present finding is consistent with a Recommendation from the Final Review of CapaCITIES Phase 1: "Set up a monitoring mechanism not only for specific projects, but also for the full CRCAP, as foreseen in 'Step 6' of the ClimateResilientCities Methodology" (p. 3). IAs report that such a system, based on CRCAP Tool No. 6.2, has been established in Rajkot and could be replicated in the other cities.

[54] This recommendation is consistent with one found in the earlier review of the Phase 1 Project: "Make sure that the CRCAPs do not remain a document of the MCs only but are shared with other stakeholders. City Dialogues should ensure the ownership of the CRCAP with those external to the MCs such as urban planning authorities and state-level agencies…".

(9) Undertake a final round of capacity-building on the climate action planning process, at various levels. Local training in each Project city is favored so that capacity is built among as wide a range of local officials as possible[55]. Only a limited number of local officials may be able to attend state-level trainings, and even then they may feel intimated about actively engaging in front of state-level officials[56]. At the *state* level, the Project logframe calls for disseminating the climate action planning process at that level, as well as making related efforts to try to institutionalize such processes. *National*-level capacity-building may occur via the NIUA. At all levels, engage training institutions both as participants as well as, when possible, as co-providers of training.

Outcome area 2 (enhanced access to financing). For Outcome area 2, recommendations for the final months of CapaCITIES Phase 2 are more succinct and closely pegged to the logframe. We (*10*) recommend that the IAs:

- ✓ *Nudge along, as possible, co-financing agreements with public and private sector sources of finance*.
- ✓ *Finalize city-level bankable assessment reports, and procurement documents under development.*
- ✓ *Finalize state-level innovative financing reports under development.*
- ✓ In coordination with Outcome areas 1 & 3 efforts, *finalize sectoral toolkits and a training module on supporting cities to access carbon finance that are under development*. IAs should package such materials per an NIUA request for easy-to-digest capacity-building 'capsules'.
- ✓ Also in coordination with the other Outcome areas, *provide trainings and disseminations at city, state and national level using those materials*. At the *city* level, close-out trainings should not neglect important basic concepts, e.g., project financial and economic feasibility. They should also (per above) include ex post surveys of participant satisfaction. As part of capacity-building and dissemination at the *state* and *national* levels, the IAs should hold close-out debriefing meetings with relevant Missions to share toolkits, case studies and contractual models that feature a sectoral focus of interest to particular missions. *National*-level closeout should also include meetings not only with NIUA but also MoHUA, donors active in the field and interested IFIs, with the focus of meetings varied appropriately.

As part of the Project's final administrative/financial close-out in 2024, make arrangements to capture any last transactions that are finalized after the Project ends its on-the-ground activities. This is to document in the CapaCITIES 2 Project Final Report all resources leveraged, as far into the January-June 2024 period as possible.

Outcome area 3 (Enhanced knowledge). *(11) IAs should deliver pending Outcome 3 outputs in a holistic manner, in coordination with the other Outcome areas*. These deliverables include a closure workshop (Output 3.1 indicator) and national level dialogues (Output 3.2 indicator). *(12) The ICLEI SA Executive Director should continue to channel learnings and tools from the CapaCITIES 2 Project into the revised urban planning strategy, via the national-level committee of which he is currently a member*. At the same time, the Project should seek to support the National Institute of Disaster Management on incorporating climate change considerations (related to both adaptation and mitigation) into Urban and Regional Plan Formulation Guidelines.

Finally, *(13) The IAs should be invited, on an optional basis and in a timely manner, to contribute a short thought piece as an input to SDC's forthcoming new Guidance note on Climate, DRR and the Environment*. Among other topics, this short (4-5 page maximum) paper should offer reflect on SDC's niche (globally or regionally) in the area of helping cities address climate change. At the same time, SDC India may find some findings from the present review worth feeding into this strategic process as well. Along those lines, SDG India might: (1) suggest more carefully considering the optimal size range of local governments that SDC interventions target, bearing in mind the discussion under Effectiveness Question No. 2a, above; and (2) encouraging even more collaboration with the SDC thematic networks that address employment, income and gender, keeping in mind the discussion under Effectiveness Question No. 2b.

[55] This is in line with a recommendation from the final review of CapaCITIES Phase 1: "Make sure that the phasing-out of the project [pays particular attention to] … the know-how transfer in cities from project staff to city staff".
[56] Given the value of city-level training, the IAs may wish to reconsider what was reported in the most recent status report: "For Gujarat cities, the city-level training workshops will be conducted as part of the state-level workshop".

4. Recommendations for a potential new project beyond 2024

SDC requested the reviewers to "Provide ideas and recommendations for a potential future SDC supported project", presumably in the space of helping local governments address climate change and related environmental concerns. At this (incipient) stage of the project development cycle, the reviewers consider the most useful form that suggestions can take is, firstly, to lay out some of the major (nonexclusive) options for a new project in this space[57]. Then for each option we begin to discuss their advantages and challenges in the Indian context, while bearing in mind international best practices as well as SDC India's position in the institutional landscape and comparative advantages. We also suggest next steps in exploring the options.

In all cases, the reviewers would consider it advisable to retain the most advantageous features of the CapaCITIES 2 Project. These include: (i) supporting both climate action planning as well as project development and helping to arrange financing, (ii) balancing attention to adaptation and mitigation, (iii) funding quick-wins to engage MC interest up-front, and (iv) focusing primarily on the local level while undertaking complementary activities at the state and national level, with embedded staff. Such features (all of which reflect felt need and appear consistent with SDC comparative advantages) are compatible with the various options presented below.

That is not to say that certain Project approaches could not be improved or updated, including as follows. Firstly, before launching a new project in this space we recommend assessing the implications for cities of the GoI's relevant new policies of 2022: its updated NDC and its new *Long-Term Low-Emission Development Strategy*. Such an exercise could be commissioned jointly with C40 and/or other partners, with possibly separate sets of recommendations for C40 cities and non-C40 ULBs of various sizes. Secondly, before accepting a climate action planning methodology such as CRCAP, a transparent peer review of that approach (both process model and tools) from both national and international perspectives is recommended, with the approach strengthened as necessary. Among other benefits, such an exercise could contribute to the maturation of a community of practice in the area of climate action planning, and a constructive convergence of such methodologies in India. Thirdly, pro-poor jobs and livelihoods objectives should be built more strongly into project design. Such aims would then be reflected more explicitly in key project outputs – climate action plans as well as the concept notes, financing plans and requests for proposals required to select, formulate & implement city-level projects.

Mix-and-match options for future directions, with discussion, are as follows:

Option 1 – Continue to support cities participating in the CapaCITIES 2 Project, while adding new cities

SDC could continue to work with the current eight cities and two states and help them consolidate current accomplishments and achieve more transformative climate action. Support could be varied according to needs, with the four cities added in Phase 2 generally still requiring more sustained support than the cities from Phase 1, and with Phase 1 cities moving gradually into a mentoring and resource role vis-à-vis the other cities.

Both this option and the others (discussed below) could involve adding in a new set of municipal corporations or other types of ULBs. In selecting new local counterparts, the reviewers suggest, firstly, focusing on ULBs of less than roughly 2.5 or 3 million population. In particular, while retaining Ahmedabad, we suggest *not* adding in additional large or megacities that are members of the C40 Cities Climate Leadership Group, so as to avoid overlapping and potentially conflicting approaches. Secondly, the recommendation above to continue to work at the national, state and local levels implies continuing to focus on ULBs in Tamil Nadu and Gujarat, and/or engaging with other such states that support multi-level governance approaches to climate action. Thirdly, as discussed above, the synergies possible between a project like CapaCITIES and several of the national missions such as AMRUT are quite strong. Therefore, in selecting any additional states in which to work, this consideration should be borne in mind as well.

[57] 'Nonexclusive' in the sense that one or more of these options could be combined.

Option 2 – Focus on hill towns, including in the Himalayan region

The Intergovernmental Panel on Climate Change (IPCC) has drawn attention to the particular impacts of climate change faced by inhabitants of lands close to glaciers. Noting that many glaciers are losing area, impacts to human settlements include changes to sources of water and "a hazard due to the formation of moraine-dammed glacial lakes" (IPCC AR5 WG II, 2014, p. 1355). Hill towns whether in the Himalayan region or not may also face hazards related to building on steep slopes (e.g., Aizawl town in Mizoram), whereby high levels of precipitation or earthquakes can trigger landslides. Indeed, per the National Institute of Disaster Management (NIDM), an estimated 12.6 per cent of India's land is prone to landslides, especially in Uttarkhand, West Bengal and Sikkim. Moreover, poor urban land use planning or controls may add to land instability and increase exposure of populations to landslides[58]. Many hill towns also must contend with rapid urban growth and pressure on scarce natural resources. Many of their local economies depend on tourism.

Working with a set of local governments that face similar hazards or otherwise share common features offers advantages. Such may foster peer-to-peer exchanges between participants – an important means for learning by local officials. At the same time donors may realize efficiencies by fielding experts with specialized diagnostic or solution-oriented experience to more than one locality. For such reasons, both nationally (e.g., NIUA's 'Urban Rivers' initiative) and internationally (e.g., C40's and Rotterdam's 'Connecting Delta Cities' network)[59], the notion of working with a set of local governments that face similar challenges has its advocates. Moreover, supporting hill towns and/or communities in the Himalayan region would take advantage of Swiss know-how in building safely and addressing natural hazards in alpine areas, as well as in e-transport. It could also provide for a 'sister city/town' dimension to a project, in addition to other, more substantive components. At the same time, no other donors are focused on this niche.

One challenge in scoping such a project as a follow-up to CapaCITIES would be to identify local governments of sufficient size to act as effective counterparts. After Srinagar (pop. 1.2 million) and Dehra Dun (600-800 thousand), many hill towns are quite small, with Urban Local Bodies (ULBs) often designated as town panchayats or municipalities rather than as municipal corporations. Engaging with such counterparts might entail different or modified approaches to planning and project development than has been taken under the CapaCITIES Project. For example, working in tandem with pairs of ULBs and urban development authorities or urban improvement trusts may be effective (see further discussion below). at the same time, greater attention to adaptation rather than mitigation measures may be called for in these areas.

SDC has already supported assessment of climate vulnerabilities nationwide, including in hill towns and in the Himalayan region, and has engaged with NIUA on this topic. A next step in exploring such a focus could involve overlaying maps of climate-related vulnerabilities and natural hazard risks with the location of the larger hill towns. Such a focus could also be informally explored with NIUA, MoHUA and NIDM.

Option 3 – Work at the city-region scale to achieve climatic and environmental benefits

While a number of mitigation and adaptation actions can be taken at the city scale, working at a somewhat larger 'city-region' scale opens up a new set of potentially high-impact, transformative climatic and environmental solutions. These include:

- ✓ taking ecosystem-based approaches to adaptation (e.g., to absorb storm surge and carbon by restoring mangrove forests near large water bodies),
- ✓ protecting green and blue corridors (to address urban heat island by providing wind tunnels, and to safeguard biodiversity by allowing for the circulation of animals),
- ✓ providing for the smooth integration of peri-urban areas into the urban fabric, and
- ✓ planning integrated transportation systems at the metro scale (reduce emissions, improve air quality).

[58] See NIDM's National Landslide Risk Management Strategy, September 2019.
[59] See http://urbanrivers.niua.org/ and https://www.c40.org/networks/connecting-delta-cities-network/.

Taking this approach in India might involve working with pairs of Municipal Corporations and Urban Development Authorities (UDAs) – an innovative approach. As noted above, UDAs are generally responsible for land use planning, including within municipal boundaries, so such 'twinning' could promote more coordinated urban development. Further exploring this approach would involve discussing it with state-level officials in potential candidate states[60], since making it succeed would entail finding a high-level champion.

Option 4 – Help municipal corporations become creditworthy and obtain credits for climate action

As noted above the CapaCITIES 2 Project sought, as one of its Outcomes: "Enhanced capacities of city governments to access financing for scaled-up urban climate action". One way to build such capacities would be to help project cities become more creditworthy.

To date a limited number of ULBs have received investment grade credit ratings, a prerequisite to mobilizing long-term, relatively low cost credits by issuing bonds. In 2017, the Ministry of Housing and Urban Affairs reported that, of 94 cities included in the Smart City and AMRUT Missions, 55 had received credit ratings at or above BBB- (the lowest investment grade); a number of other ULBs hovered just below this level[61]. CRISIL Ratings Ltd. among others has argued that transforming even a limited number of ULBs into creditworthy entities capable of issuing municipal bonds would be "immensely transformational" for the country; they also note high-level support for such a development[62]. The World Bank, among others, has sought to help cities globally increase their creditworthiness. Their earlier City Creditworthiness Initiative took a roadmap approach to "helping cities improve their financial performance" so as to "secure the private investment they need to fund climate-smart infrastructure and services"[63]. In many cases, however, this engagement with cities was limited to only 'one-off' workshops. The World Bank and other IFIs could well find more in-depth and sustained support by a donor such as SDC in this area to be synergistic with their work.

A project outcome focused on helping cities access financing for climate investment while becoming more creditworthy would not be very different from Outcome area 2 of the present CapaCITIES 2 Project. Arguably, such an end would merely help focus capacity-building in this area, with a ready-made yardstick at hand to measure results. At the same time, such an outcome might have implications for the selection of participating cities. Steps in further exploring support in this area might include: (1) assessing the current level of GoI support for increased ULB creditworthiness; (2) determining current and planned activities of IFIs and donors in this area, so as to better coordinate assistance; and (3) overlaying an updated list of ULBs that linger just below minimum investment grade with other considerations such as location (state), size and climate vulnerability.

Option 5 – Provide increased inputs into national-level rules and regulations, and support roll-out

Perhaps the primary way to institutionalize better practices at the city level begins with changes to the enabling framework at the national and state levels. A project that works at various levels is well positioned to provide inputs to revised guidelines and regulations at the state and national level, based on experiences at the local level, and indeed some of this is currently occurring under the CapaCITIES 2 Project. At the same time, inputs could be provided into a larger set of policies, laws and regulations, including:

- GIS-based Master Planning Guidelines[64]
- Local Area Planning and Town Planning Scheme Guidelines[65]

[60] In discussions with IAs in May 2023, Uttar Pradesh was mentioned as a possible candidate state.
[61] Ministry of Housing and Urban Affairs, "Credit rating of ULBs gain momentum", 26 March 2017. Attached to this press release is a list of 94 ULBs, rated on a scale from AA+ (most creditworthy) to B.
[62] CRISIL Ratings Ltd., "A roadmap to scale up India's municipal bond program", 4 September 2019.
[63] See https://www.worldbank.org/en/topic/urbandevelopment/brief/city-creditworthiness-initiative.
[64] TCPO and MoHUA (2018), "Sub-scheme on Formulation o9f GIS-based Master Plans under AMRUT mission".
[65] TCPO and MoHUA (2018), "Sub-scheme on Local Area Plan and Town Planning Scheme under AMRUT mission"

- Project Preparation Manuals for water supply, sewerage, drainage, sanitation, etc.[66]
- Model Municipal Law 2013[67], and
- The Ministry of Urban Development's 2004 National Municipal Accounts Manual.

A project could then support national and state entities in sensitizing local officials to new guidance, as well as, in some cases, rolling out corresponding tools and training modules (e.g., on preparing a climate budget[68]) at the local level to help ULBs embrace new guidelines.

[66] Central Public Health and Environmental Engineering Organisation (CPHEEO) and MoHUA has prepared the Manuals on water supply, sewerage, drainage and solid waste management.
[67] https://jobs.niua.in/projects/review-model-municipal-law.
[68] For such an initiative currently underway in India, see "Creating a climate budget for Mumbai", found on pp. 195-96 of Mumbai's Climate Action Plan 2022.

Appendix A – Terms of Reference for the Review of Capacity Building for Low Carbon and Climate Resilient Cities Development in India (CapaCITIES) Project Phase II

1 Introduction and Context

1.1 Introduction

This Terms of Reference (ToR) is proposed for undertaking the project evaluation for the Swiss Development Cooperation's (SDC) Capacity Building for Low Carbon and Climate Resilient Cities Development in India (CapaCITIES) Project Phase II (final phase of the project). The ToR is divided in 10 segments covering context, objectives, scope and a proposed methodology of the review. The subsequent sections describe the expected outcomes, timelines, selection criteria and selection process. This ToR will be part of the review mandate's contract.

1.2 Context

Cities have an essential role to play in climate change adaptation and mitigation. On the one hand, cities are responsible for nearly 80% of energy consumption and 60% of CO2 emissions. Alternatively, cities also tend to be highly vulnerable to the impacts of climate change. Worldwide, the increasing urban population needs immediate access to basic services and infrastructure. So the infrastructure needs to be planned and built now, but systematically incorporating present and future challenges such as the impacts of climate change.

India is amongst the fastest growing economies in the world, led by its vast number of cities. However these cities are also contributing significantly to Green House Gases (GHG) emissions. By 2030, the urban population of India is expected to rise to 600 million and with the business as usual scenario it would imply a carbon intensive growth. As urban areas continue to expand, the cities are facing the twin challenge of meeting their immediate needs, especially for poor and vulnerable sections (infrastructure, basic sanitation services, etc.), and combating the effects of climate change. India is the seventh-most vulnerable country with respect to climate extremes, hazards and risks. At present, 43 Indian cities are listed in the world's 100 most vulnerable cities to environmental and climate hazards, this necessitates immediate climate actions especially in urban areas. With a large part of the buildings and transport systems to be built in the coming decades, emerging cities offer a great potential for mitigating GHG emissions, if climate change aspects are considered more systematically in urban planning. Climate change resilience needs to be increased in order to avoid human and economic losses, migration and people falling back into (extreme) poverty.

Led by India's national vision, the real action has already begun in India's states and cities. Over the past few years national missions like the Smart Cities Mission have made visible efforts to mainstream climate aspects, acknowledge climate actions by cities with associated financial support. Similarly, the states and cities have also initiated policies, actions and reforms to integrate climate into their developmental activities.

SDC is responsible for development cooperation with the South and East, multilateral cooperation as well as for Switzerland's humanitarian aid. With a focus on global challenges, Switzerland's International Cooperation Strategy (2021-24) states Climate Change as one of its 4 priority areas. In India, SDC has

been working for more than 60 years and for the past decade focused mostly on climate change and environment. It works with national and sub national governments, with Swiss and Indian universities, organisations and companies, to promote its strategic areas. SDC works on both climate change mitigation and adaptation. Through 7 bilateral projects in India, SDC supports development of low carbon cement, energy efficiency in buildings, and renewable energies in buildings, and in agriculture. Its work on strengthening climate resilience entails working with communities, cities and states including in the Himalayan region. These projects are in alignment with SDC's Global Programme Climate Change and Environment (GPCCE)[69] strategic framework which fosters integration of adaptation and mitigation approaches to maximise developmental gains.

2 About CapaCITIES Project

The Capacity Building for Low Carbon and Climate Resilient City Development Project aims at supporting cities to prepare climate action plans (mitigation & adaptation) and thereafter systematically implement priority actions listed in these plans. The project also aims at strengthening capacities, showcasing concrete actions, and providing a platform to support meaningful bankable projects in Indian Cities, and contribute to the policy dialogue with various tiers from local to global actors.

In phase I (June 2016- July 2019), the CapaCITIES project developed a Climate Resilient Cities Action Plan (CRCAP) methodology combining adaptation and mitigation. The CRCAP methodology was used to prepare the CRCAP plans for 4 partner cities (Coimbatore, Rajkot, Siliguri and Udaipur), which were council ratified and used for strengthening local governments' capacities. Subsequently cities allocated funds from the municipal budgets for identified prioritised actions in the plan. With project support, partner cities also implemented pilots (quickwins) and bankable projects and received technical assistance for implementing climate actions.

Based on the project evaluation of Phase I, carried out in 2018-19, the number of cities was increased and activities were upscaled especially at the state level. The evaluation of the overall project was very positive and appreciated the project set up, work areas, high value and the relevance in the context of climate resilience in cities. Based on the recommendations from the project evaluation, the Phase II (August 2019 - July 2023) of CapaCITIES expanded its work to 8 partner cities (including 4 from phase I), initiated closer engagement with two states from Phase 1 (Tamil Nadu and Gujarat), scaled up city actions, devised simplified climate action plan methodology, strengthened adaptation measures, and focused on leveraging resources for the action plans. In phase II the project through the climate action plans works across transport, waste, water, biodiversity sectors. The cities are supported to mainstream climate change aspects in developmental activities in the respective sectors.

The project in phase II partners with 8 cities, including 4 from phase I. It also works at the state level with Tamil Nadu and Gujarat (each having 3 partner cities).

S. No	Partner cities	State	Phase I cities	Phase II cities
1	Coimbatore	Tamil Nadu	Yes	Yes
2	Rajkot	Gujarat	Yes	Yes
3	Siliguri	West Bengal	Yes	Yes

69 With the Reorganisation of SDC in September 2022, the GPCCE and the DRR Teams have merged to the Section Climate, DRR and Environment (CDE) of the Thematic Cooperation Division within SDC.

4	Udaipur	Rajasthan	Yes	Yes
5	Tirunavelli	Tamil Nadu		Yes
6	Tiruchirappallii	Tamil Nadu		Yes
7	Ahmadabad	Gujarat		Yes
8	Vadodara	Gujarat		Yes

Unfortunately, the second phase of the project was impacted by Covid19 restrictions in 2020-21 and as a result several projects, especially the field based activities, were delayed. During this period the response from project stakeholders was slow and it took significant efforts on behalf of the project to bring up the speed of implementation of activities to the pre-pandemic level. To enable the completion of activities and make up for the lost time due to Covid, CapaCITIES was extended till June 2024.

Overall goal of phase II: *Lower greenhouse gas emissions growth path achieved and resilience to climate change increased in select Indian cities and states.* The phase II has three defined outcomes, namely:

1. City and state governments integrate climate change aspects (adaptation and mitigation) into urban planning and implementation
2. Enhanced capacities of city and state governments to access finance for scaled up urban climate action
3. Enhanced knowledge on accelerating city climate action at the national and global level

For the phase II implementation, the project continued with the same partners from phase 1, which were selected through a competitive process. The project's Implementing Agency (IA) is a consortium of Indo-Swiss partners, led by the South Pole Group, ICLEI South Asia and eConcept. The core IA team is supported by a pool of international and national thematic experts. In 2019, the Ministry of Housing and Urban Affairs (MoHUA) assigned the National Institute of Urban Affairs (NIUA) the function of a secretariat for the Smart Cities Mission including Climate Centre for Cities (C-Cube). As a result, in phase II the role and partnership with the NIUA was expanded from phase I. NIUA is a key technical project partner and is supporting in reaching out to the national and state governments, capacity building activities, providing guidance to the project cities and also disseminating outcomes of the project. In addition, the project also contributes to several national missions like National Mission on Sustainable Habitat, AMRUT, SBM, FAME etc.

A Programme Management Unit (PMU), which comprises of the core team of consortium members, is responsible for project implementation, coordination and monitoring. It includes state/thematic coaches (based in Delhi); finance coaches for state and city support and state/ city level project officers, who provide guidance on securing finance for the projects in the thematic focus areas (waste, water, transport) at the state and city level; c) State and City level project officers based in respective state government departments and city municipal corporations. This PMU is supported by an independent pool of thematic experts from Swiss/international and Indian organisations.

Phase II is the last phase of the project. In the future, SDC plans to explore a potential new initiative in the field of climate change adaptation and mitigation in cities/urban areas that would build on the projects results and experience, make use of SDC's expertise, and address specific needs. The evaluation is expected to provide useful recommendations for a potential future intervention.

Few Highlights from the Project from Phase II

- Four cities have already ratified and started implementing their climate action plans. 3 of them have successfully achieved more than 65% of their GHG mitigation targets, despite Covid-related challenges.
- A few partner cities have allocated municipal budget for the implementation of climate actions identified in their respective climate plans. In 2021-22 the city of Rajkot has allocated CHF 62.6 million municipal budget for its implementation and other cities are also following this lead.
- A simplified CRC Climate Resilient Cities (CRC) methodology was finalised to develop city climate action plans for all Phase II cities, using a Basket of Solutions (BoS) which provides cities with an exhaustive list of climate actions across various sectors.
- Numerous pilots have been or are presently being implemented, scaled up and co-financed with cities following the action plans with the support from local governments. 70
- Partner cities have seen their efforts acknowledged and rewarded at both national and international levels: e.g. by the Global Covenant of Mayors (GCoM), WWF's One planet City Challenge or the Urban Ministry led Climate Smart Cities Assessment Framework.
- At the national level, the project is providing inputs for the development of the National Urban Disaster and Climate Resilience Planning and Management Guidelines, for over 4000 cities/towns.

3 Objective, Scope and Focus of the Review

3.1 Objectives of the Review

SDC through this Terms of Reference aims to commission an external review on the CapaCITIES project phase II to assess the overall performance of the project for the potential next steps. The review is expected to:

1. Provide SDC with an objective independent assessment of the overall performance of SDC funded CapaCITIES Project in its second phase (16.07.2019 – 30.6.2024), including the impact, outcomes, outputs, partnerships and processes up to March 2023;
2. Highlight potential areas of improvements so that the project can fully achieve the planned objectives before the end date of the project (i.e. June 2024); and finally
3. Provide ideas and recommendation for a potential future SDC supported project, i.e. an intervention at the city level beyond 2024.

3.2 Scope and Focus of the Review

The CapaCITIES review should be based on the OECD/DAC Criteria[71] viz. relevance, coherence, impact, effectiveness, efficiency, and sustainability. More specifically, the following key points/questions shall serve as guidance for aspects to be considered in the comprehensive assessment of the project's achievements by the review team. During the review, the team may come up with different/additional aspects, which could be considered in the assignment. Therefore, it is proposed that reviewers in consultation with SDC shall refine, prioritize or add relevant questions to the list.

70 Partner cities are undertaking pilots on deployment of solar PV for water treatment plants, floating solar, solid waste treatment plants, urban forest, and including preparation of national guidelines, implementing inner city green mobility zone etc. A 145 kWp solar PV project for a water utility led to the deployment of 1 MW of solar PV for municipal utilities in Rajkot; a 1.5 TPD bio-methanation plant in Coimbatore has now led to the preparation of a bankable 200 Tons per day (TPD) bio CNG plant; Udaipur scaled up its 2 TPD bio-methanation plant to a 20 TPD Bio CNG plant; A 100 kWp floating solar PV plant planned in Coimbatore has led to the preparation of a bankable project of 10 MW; U(biodiversity) urban forests in Vadodara, Udaipur and Siliguri and national level guidelines are under preparation; Udaipur implementing a Green Mobility Zone.

[71] OECD/DAC Network on Development Evaluation: Better Criteria for Better Evaluation. Revised Evaluation Criteria Definitions and Principles for Use (2019).

Relevance and Coherence	• How relevant is the project in the partner cities and states it operates in, i.e. how adequate is the project in addressing the challenges of climate change adaptation and mitigation at the city and state level? Could the project fill important gaps? • Is the project aligned with the objectives of various national policies and programmes (Nationally Determined Contributions, Smart City Mission, National Sustainable Habitat Mission etc.)? What learnings from the CapaCITIES are contributing to the GPCCE Strategy? • How has the project exchanged and interacted with global initiatives working on climate resilience for cities such as C40, GCOM, RCAP etc.? What has been its added value compared to existing interventions? • Have the recommendations of the Phase I review been addressed?
Effectiveness	• Has the project achieved the expected outcomes and outputs as defined in the project log frame? • Is the choice of partner cities and demonstration projects appropriate, and have they achieved their stated goals by contributing to the project outcomes? • How effective is the overall institutional set-up of the project? • Have the climate action plans facilitated systematic planning and been incorporated in the city's planning and decision making process for mitigation and adaptation initiatives? • Has the project been effective in institutionalising tools, learnings, actions at the state and national level? • Was the project able to effectively adapt its strategies keeping in view the changing external policy and implementation environment? • Has the project undertaken effective dissemination and outreach? • Are there any recommendations so as to increase the effectiveness until the end of the project, i.e. June 2024?
Efficiency	• Is the use of SDC funds allocated for CapaCITIES project utilized efficiently? • Have the overall project steering and management been efficient?
Impacts	• Has the project managed to bring positive, sustainable and expected impacts on low emission development and climate resilience related policies and processes at the relevant level (national, state and city) ? • Are there any unexpected impacts?
Sustainability	• Do the current results, interventions, tools, capacity building instruments have the potential to be sustained, upscaled and replicated? What are the accelerating or limiting factors? • Are responsible authorities capacitated / do they dispose of the needed processes and guidance in order to continue the implementation of climate actions? • Are there any recommendations so as to increase the sustainability of the project until the end date, i.e. June 2024?
Potential new Project beyond 2024	• Provide specific guidance/recommendations for the design of a potentially new project on climate change adaptation and mitigation in cities/urban areas. Please take into account a) the lessons learnt from this project, b) India specific needs and priorities and c) SDC's strategy and global priorities.

4 Review Methodology and Process

4.1 Review Methodology

The detailed methodology and approaches related to the review will be developed by the evaluators, therefore the following suggested steps should be taken as indicative.

Step 1: It is expected that the team will engage in a desk review of the key documents including the project document, project log frame, operational and financial reports, end of phase report (phase I), minutes/ proceedings of the project steering committees, other related project documents. In addition, knowledge products, related exchange with stakeholders, training material, manuals, newsletters, etc. will also be shared with the team for review. The CapaCITIES project team will provide support in providing the requisite documentations to the review team in coordination with the SDC. The evaluators are expected to exchange with national ministry, NIUA, partner state government departments and city governments, other international agencies working on cities and climate change including GIZ, EU, AfD along with C40 etc.

Step 2: As second step, on the basis of first interactions with SDC and project partners, the review team will come up with a brief inception report outlining their detailed methodology and work plan for organizing the review, considering the available time, resources and data/information. The team members will also agree on the indicators, questions and hypotheses related to the review and their respective roles and responsibilities in discharging various tasks associated with the review including writing of the reports.

Step 3: The review team will visit selected project implementation sites in partner cities/states and have meetings (virtual and in person) with project partners, national and state level government agencies, city municipal corporations, beneficiaries, respective stakeholders etc. The team is expected to visit at least 4 partner cities (ideally 2 phase I and 2 from phase II) of the total 8. However, virtual meetings and exchange can be organised with all the 8 cities. The review team could also participate in ongoing activities (workshops or training programmes), if conducted at the time of review team's visit. A debriefing session shall be organised at the SDC Programme Office in New Delhi along with SDC Head Office in order to present and discuss interim findings.

Step 4: Finally, the review team, led by the Team Leader, will prepare a draft report and submit it to SDC for comments. The report shall include an executive Summary of a maximum of 3 pages. After incorporating the comments of SDC, the final report shall be submitted and a presentation will be made virtually on the main findings to SDC (India office and Bern Head Office).

4.2 Composition and Roles of the review team evaluator(s)

SDC proposes to have a two member review team comprising of an international and Indian national expert. The overall responsibility will be with the international expert who will be the team leader for the review. The international expert will be contracted by SDC and will either sub contract the Indian national expert or otherwise SDC will contract the Indian national expert directly. It is important that the skills, expertise and experiences of the evaluator's team are complementary. The team leader (international expert) will also be vested with the responsibility of timely submission of the inception/ draft and final reports, debriefing and presentation of findings.

4.3 Review Process and Timeframe

The review is proposed to be carried out during 1 March 2023 – 31 May 2023. To undertake the review the following work plan and timeline are proposed along with suggested responsibilities. However, the review team is expected to adapt the work plan at the inception of the exercise, in consultation with SDC.

Action Items

Actions	Duration (tentative timeline)	Responsible	Tentative number of days*
Kick off meeting virtually	First week of March 2023	Review team and SDC team responsible for CapaCITIES project.	Around 5-7 days
Desk review of relevant project documents	7 March – 19 March 2023	SDC India to share all the relevant documents by last week of February with the review team.	
Interaction with project partners/ Implementation Agency (IA)	20 March - 23 March 2023	Interaction between review team and CapaCITIES IA. The meetings could be in-person (Bern and New Delhi) or virtually, subject to availability.	
Inception report	Last week of March 2023	Schedule of meetings with project stakeholders and city visit will be planned jointly with SDC, IA and the review team.	
Stakeholder interactions and city visits	April 2023	For collating insights, assessment and feedback	Around 12-15 days
Debriefing meeting	Last week of April 2023	Review team and SDC India team	
Submission of draft report	10 May 2023	Team leader of the review team	Around 8-10 days
Comments by SDC	17 May 2023	SDC India and HQ team	
Submission of final report	24 May 2023	Team leader of the review team	
Presentation to SDC	30 May 2023	Hybrid debriefing by review team to SDC India and Bern	

**these are indicative days for individual evaluators. However, the total number of days for both the evaluators should be within the range of 50-55 days.*

It is estimated that the total number of person-days required for the review would be around 50-55 days together for the two evaluators. The suggested number of days will include preparation, briefings, consultation, travel, field visits, workshops, debriefing, report writing, etc. Both the experts are expected to jointly visit partner cities and undertake stakeholders' exchange. The field visits shall be carefully planned after a detailed consultation with SDC and project partners with due consideration of health risks from Covid.

5 Deliverables and Reporting

5.1 Deliverables

The review team is expected to submit a comprehensive analytical report that provides a concise and objective assessment of the project. The report should have an executive summary of maximum 3 pages. The report should be able to provide strategic insights and recommendations for the implementation until the end of the project, i.e. June 2024 as well as some guidance in terms of designing a potential future interventions in the urban resilience sector in India. The report will be made available to the project implementation team as well as project partner agencies. SDC will decide in case some parts of the report will be kept for SDC internally. Following are the key deliverables[72] expected once the review process is initiated.

The team is expected to provide the following deliverables on convening:

- A short inception report indicating the detailed methodology, review work plan and initial findings from the desk review
- Presentation to SDC India with interim findings after the site visits/meetings
- Draft review report for SDC Comments
- Final review report (around 25-30 pages, excluding annexures & a 3 page executive summary)
- Presentation of the final review report to SDC (Bern and Indian a hybrid mode)
- List of stakeholders interviewed

5.2 Reporting

The evaluator(s) will report to the Head of Cooperation of the SDC in New Delhi for the entire duration of the assignment. Operational support will be provided by the National Programme Officers (NPO) in New Delhi and the Program Officer in Bern as per the necessity.

6 Reference Documents

After signing the contract the following documents/material will be made available to the members of the review team prior to/ during for the evaluator's first desk review:

- Credit Proposal
- Project document and log frame
- Project factsheets
- Annual Operational Reports/Financial reports
- Minutes of the steering committee meetings, etc.

72 All reports and presentations are to be written in English and submitted in electronic format.

Appendix B – CapaCITIES Phase 2 Logical Framework

(Impacts, Outcomes & Outputs only[73])

Impact (Overall Goal) – *Lower greenhouse gas emissions growth path achieved and resilience to climate change increased in select Indian cities*

Outcome 1 – City and state governments integrate climate change aspects (adaptation and mitigation) into urban planning and implementation

Output 1.1: Simplified ClimateResilientCities Process and assessment instruments (Basket of Solutions) are prepared

Output 1.2: Climate Resilient City Action Plans including climate change adaptation and mitigation prepared and implemented in 8 cities

Output 1.3: Institutionalization of the urban climate action planning process at the state level

Outcome 2 – Enhanced capacities of city and state governments to access finance for scaled up urban climate action

Output 2.1: City level climate actions identified and prepared for financing

Output 2.2: Public private co-financing and other sources [i.e., beyond municipal budgets] mobilized for financing city climate actions

Output 2.3: State and city-level capacities enhanced to enable access to climate finance

Outcome 3 – Enhanced knowledge on accelerating city climate action at the national and global level

Output 3.1: Knowledge products disseminated and reported at the national level

Output 3.2: Policy dialogues conducted at the national level for mainstreaming project results

Output 3.3: Project results and knowledge products are documented, disseminated, and reported at the global level

[73] For full Project Logframe, including Indicators (at Impact, Outcome and Output levels), Data Sources / Means of Verification, and External Factors (Assumptions & Risks), see CapaCITIES 2 Project Document. These also appear, together with 'current status', in periodic progress reports.

Appendix C – Meetings with SDC, National Partners & International Partners

Meetings with SDC, Partners and International Organisations	
Organisations/Date	**Participants**
Meetings with SDC	
30 March 2023 (virtual)	
Kick off Meeting with SDC and Implementing Agencies	
SDC	Dr. Jonathan Demenge, Head of International Cooperation and Counsellor, Ms. Jacqueline Schmid, Ms. Lisa-Tanita Greminger Programme Officer
ICELI-SA	Mr. Emani Kumar, Executive Director (Co-Project leader), Ms. Soumya Chaturvedula, Deputy Director.
2 and 16 May	
Meetings with SDC	Dr. Jonathan Demenge, Head of International Cooperation and Counsellor, Ms.Ridhima Sud, Senior Thematic Advisor and Ms. Lisa-Tanita Greminger Programme Officer
Meetings with Partners	
29-30 April 2023: Vadodara	
Vadodara Municipal Corporation	Mr. Hashmukh Prajapati, Dy. Municipal Commissioner, Mr. Jatan Badheka, Dy. Executive Engineer (Street Lighting), Mr. Gaurav Panchal, Assistant Director (Parks and Gardens), and Mr. Dalwadi (Consultant- Miyawaki Forest).
	Site visit to Miyawaki Urban Forest Pilot Project, at Chhani Lake.
	In Vadodara, the team me Mr. Ankit Makvana, Manager, Gujarat Operations and Mr. Jay Shah Vadodara City Associate (CA), ICLEI-SA.
1 and 15 May 2023: New Delhi	
Implementing Agencies (Hybrid)	
ICLEI-SA	Mr. Emani Kumar, Executive Director (Co-Project leader), Ms. Soumya Chaturvedula, Deputy Director, Ashish Rao Ghorpade, Deputy Director, Ms. Monalisa Sen, Coordinator Biodiversity Programme, Mr. Daniel Robinson, Tamil Nadu State Project Lead, Mr. Ankit Makvana Manager Gujarat Operations, Mr. Jay Shah Vadodara City Associate (CA), Mr. Souhardo Chakraborty, Siliguri CA, Mr. Sella Krishna, Coimbatore CA, Mr. Senthil Arumugam Tirunelveli CA, Mr. Nagendran Nagarajan, Tiruchirappalli CA, Mr. Bhupandra Salodia Udaipur CA and Mr. Nilesh Prajapati, Rajkot CA.
South Pole	Mr. Hans-Peter Egler (Co-project leader) Director Technical Assistance, Climate Investments, Mr. Mehul Patwari Associate Director Climate Investments, Ms. Jasna Thomas Associate Specialist Climate Investments
Econcept	Mr. Reto Dettli
1 May 2023	
NIUA	Mr. Hitesh Vaidya, Director, Dr. Victor Shinde, Head C-Cube, Mr. Punit Gandhi, Proramme Lead- Advocacy and Mr. Mukesh Pofir, National Project Coordinator CapaCities II
MoUHA	Mr. Lal Chandama, Under Secretary-II, Smart City -I
2 May 2023: Chennai	
TN State	Ms. Supriya Sahu I.A.S., Additional Chief Secretary Environment, Forest and Climate Change Department, Government of TN Mr Vishnu Chandran I.A.S., Joint Commissioner of Municipal Administration, Government of TN
	Ms. Samhita, Founder, Ela Green, Consultant Green Buildings

	Mr. Gopal Krishnan, Head and Director US Green Building Council, Asia Pacific and Middle East and Mr. K. Raman, Green Building Council of India (Online)
	In Chennai. the team met Mr. Daniel Robinson, Tamil Nadu State Project Lead and Mr. Prasanna Venkatesh, TN State Project Associate of ICLEI SA
3-4-5 May, 2023: Coimbatore	
Coimbatore City Municipal Corporation	Mr. M. Prathap, IAS, Municipal Commissioner, Dr. Sharmila, Deputy Municipal Commissioner, Mr. Senthilbaskar, Assistant Executive Engineer, North Zone and Mr. Saravanakumar, Sanitary Inspector, Ward no. 69.
	Site visits to proposed to floating solar plant Periyakulam Lake (Big Tank) and Biogas plant site, Bharathi park.
	In Coimbatore, the team met by Mr. Sella Krishna, Coimbatore CA, ICLEI SA.
8-9-10 May 2023: Ahmedabad/Gandhinagar	
Gujarat State	Mr. Bipin Talati IAS, Additional Secretary and Mr. Shwetal Shah, Technical Advisor, Climate Change Department. Government of Gujarat
Ahmedabad Municipal Corporation	Mr. Praveen Chaudhary IAS, Deputy Municipal Commissioner and Mr. Brijesh Joshi, Assistant Executive Engineer Energy Cell, AMC
	Mr. Mehul Dhokai, Director Omniion Technologies & Consultant to AMC; and Mr. Manish Vadanere, Visiting Faculty, CEPT University & Consultant to AMC
	In Ahmedabad and Gandhinagar, the team met Mr. Ankit Makvana Manager Gujarat Operations, Mr. Devash Pathak, Project Associate (State) and Ms. Basundhara Karki, City Associate, Ahmedabad of ICLEI-SA.
11-12 May 2023: Udaipur	
Udaipur	Mr. Govind Singh Taunk, Mayor, Mr. Vasudev Malawat, Commissioner, Mr. Mukesh Chandra Pujari Superintending Engineer, **Udaipur Municipal Corporation** (UMC)
	Mr. Akhilesh Sharma, Executive Engineer, PHED (Public Health and Engineering Department, water supply department), Ms. Ritu Sharma, Deputy Town Planner, Urban Improvement Trust (UIT), Dr. Dinesh Pant, Research Fellow, The Energy and Resources Institute (TERI), Delhi, Mr. Amit, Plant, Plant Supervisor, Mahindra & Mahindra and Mr. Raghunandan, e-Rickshaw driver
	Site visits to 2 TPD Bio-methanation Plant, Madri Fire Station, 20 TPD Bio-methanation CG plant, Balicha, Miyawaki Urban Forest Pilot Project, Mohta Park and proposed Green Mobility Zone, Old City area, Udaipur.
	In Udaipur, the team met Mr. Bhupandra Salodia Udaipur CA of ICLEI-SA.
15 May 203: New Delhi	
Implementing Agencies (Hybrid)	Representatives of ICLEI SA, South Pole and econcept.
Virtual Meetings	
23 May 2023	Mr. Kishor P. Dethariya, In-charge Executive Engineer, Rajkot Municipal Corporation
24 May 2023	Mr. Sonam W. Bhutia, Municipal Commissioner, Siliguri Municipal Corporation
26 May, 2023	Mr. Balasubramanian, Executive Engineer and Ms. Muthu Lakshmi, Assistant Executive Engineer, Tiruchirappalli Municipal Corporation
28 May 2023	Mr. S. Lenin, Assistant Executive Engineer, Tirunelveli Municipal Corporation (Nodal Project Officer)

	The virtual meetings were coordinated by Mr. Daniel Robinson, Tamil Nadu State Project Lead, Mr. Souhardo Chakraborty, Siliguri CA, Mr. Senthil Arumugam Tirunelveli CA, Mr. Nagendran Nagarajan, Tiruchirappalli CA, and Mr. Nilesh Prajapati, Rajkot CA 0f ICELI-SA.
Meetings with International Organisations	
1-2 May 2023: New Delhi	
GIZ India	Mr. Sebastian Markart, Senior Advisor Sustainable Urban and Industrial Development (SUID), Mr. Nikolas Boehlke, Advisor SUID Cluster and Mr. Lalu Mathew, Urban and Regional Planning Advisor
Agence Française de Développement (AFD)	Mr. Rajnish Ahuja, Head, Transport and Urban Development Team, Ms. Diane Bittar, Project Manager-Urban Development, Ms. Akshita Sharma, Sector Portfolio Manager- Bio-diversity and Ms. Jyothi Vijayan Nair, Sector Portfolio Manager, Urban Development and Resilience.
C40	Ms. Shruti Narayan, Regional Director, South Asia
15-16 May 2023: New Delhi	
Asian Development Bank	Mr. Ashok Srivastava, Senior Urban Specialist
Coalition for Disaster Resilient Infrastructure (CDRI)	Mr. Amit Prothi, Director General and Ms. Sakshi Chadda Dasgupta, Lead Specialist
World Bank	Mr. Raghu Kesavan, Senior Infrastructure Specialist

Appendix D – Criteria Used to Select Bankable Projects (Outcome 2)

Willingness of the City & Official City Approval

Maturity of Technology & Similar Projects

Priority of the State

Economic Driver of the City

Leveraging Government Schemes

Climate Adaptation/Mitigation on Project

Source of GHG Reduction

Dimension of GHG reduction impact

Basis of GHG emissions

SDG [Sustainable Development Goals] Impact

Potential Risk & Replicability of Project

Nature & Extent of Technical Expertise Required

Technical Consulting Costing – Estimate

Costing Quick Win / Cofinancing implementation budget

Potential amount leveraged by City

Priority (1-3)

Source: "CapaCITIES II Bankable Project Screening Sheet", headings of Columns F-T.

Appendix E – ClimateResilientCities Action Plan (CRCAP) Process Models

Figure E-1: 'Comprehensive' version of CRCAP model used in CapaCITIES Phase 1

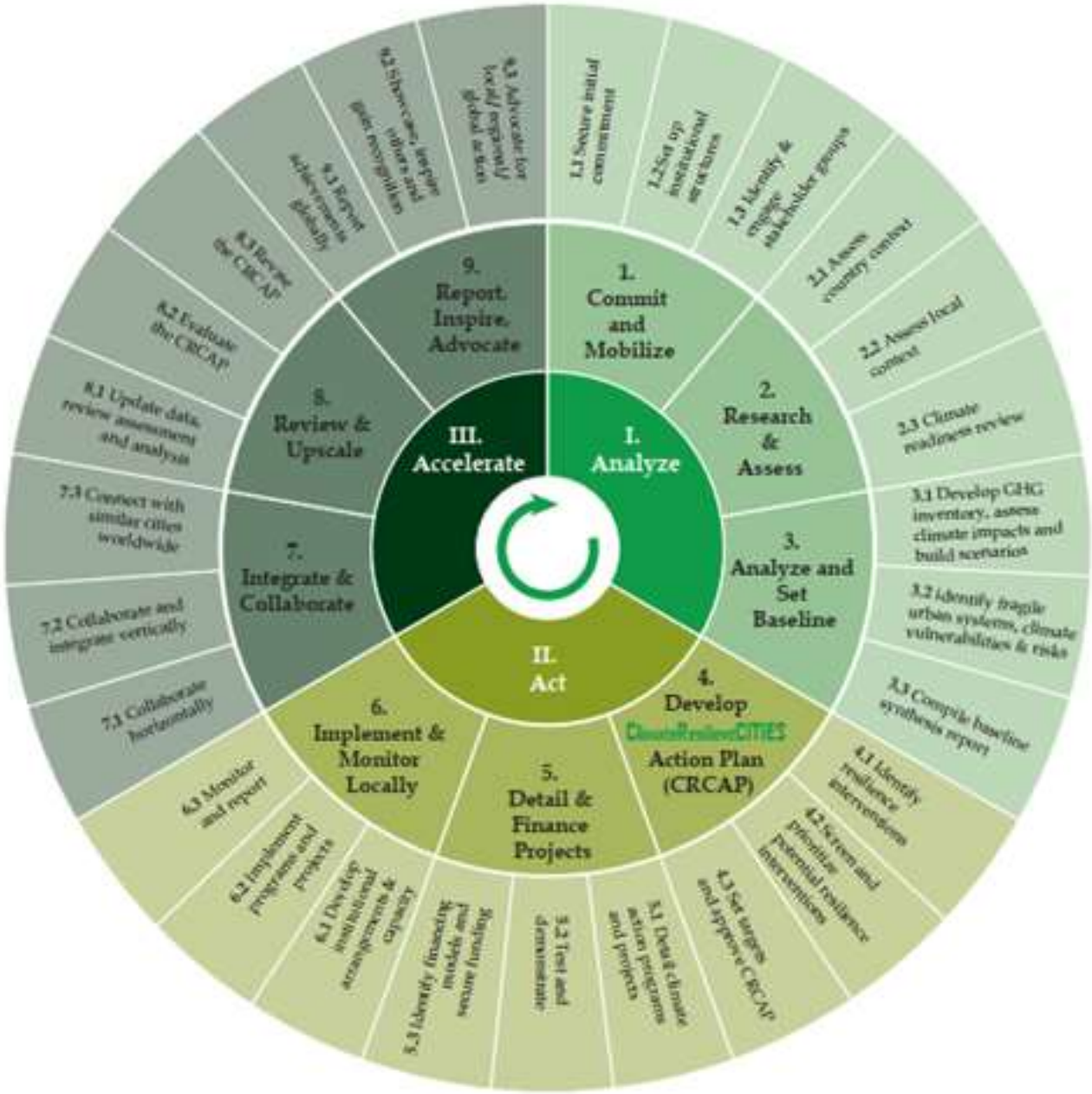

Figure E-2: 'Simplified' version of CRCAP model used at beginning of CapaCITIES Phase 2

External Final Review
CapaCITIES Project, Phase 2

Final Report

June 2023

Prepared for:
Swiss Agency for Development and Cooperation (SDC)

Prepared by:
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International Consultant / Team Leader
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and

Chetan Vaidya
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Contents

Acronyms & Abbreviations

ADB	Asian Development Bank
AMRUT	Atal Mission for Rejuvenation and Urban Transformation
CapaCITIES	Capacity Building Project on Low Carbon and Climate Resilient City Development in India
CCAP	City Climate Action Plan
CHF	*Confoederatio Helvetenstein Franc* (Swiss Franc)
COP	Conference of Parties
CNG	Compressed Natural Gas
CPHEEO	Central Public Health and Environmental Engineering Organisation
CRCAP	Climate Resilient Cities Action Plan
CSCAF	Climate Smart Cities Assessment Framework
DLI	Disbursement Linked Incentive
FAME	Faster Adoption and Manufacturng of Hybrid and Electric Vehicles
DRR	Disaster risk reduction
GCoM	Global Covenant of Mayors for Climate and Energy
GHGs	Greenhouse Gases
GEF	Global Environment Fund
GoTN	Government of Tamil Nadu
GPCCE	Global Programme on Climate Change and Environment
GoTN	Government of Tamil Nadu
GPCCE	Global Programme on Climate Change and Environment
GMZ	Green Mobility Zone
IAs	Implementing Agencies
ICLEI SA	ICLEI South Asia
IFIs	International Financial Institutions
INR	Indian Rupees
IPCC	Inter Governmental Panel on Climate Change
LED	Light emitting diode
Logframe	Logical framework
MC	Municipal Corporation
M0HUA	Ministry of Housing and Urban Affairs
MoU	Memorandum of Understanding
NAPCC	National Action Plan on Climate Change
NCAP	National Clean Air Programme
NDC	Nationally Determined Contribution
NDMA	National Disaster Management Authority
NIUA	National Institute for Urban Affairs
NMSH	National Mission for Sustainable Habitat
NULP	National Urban Learning Platform
OECD	Organisation for Economic Cooperation and Development
PID	Programme Information Document
PO	Project Officer
PSC	Project Steering Committee
RCAP	Resilient Cities Asia Pacific
SAPCC	State Action Plan on Climate Change
SBM	Swachh Bharat Mission (Clean India)

SCM	Smart Cities Mission
SDC	Swiss Agency for Development and Cooperation
SWM	Solid waste management
tCO_2e	Tonnes of carbon dioxide (CO_2) equivalent
TCPO	Town and Country Planning Organization
TDP	Tonnes per day
ToR	Terms of Reference
TNCRUDP	Tamil Nadu Climate Resilient Urban Development Programme
UDA	Urban Development Authority
UIT	Urban Improvement Trust
ULB	Urban Local Body
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNISDR	United Nations International Strategy for Disaster Reduction
UNFCCC	United Nations Framework Convention on Climate Change
WRI	World Resource Institute

Executive Summary

This report presents the final review of the **Capacity Building for Low Carbon and Climate Resilient Cities Development in India (CapaCITIES) Project, Phase 2**, implemented by ICLEI SA, South Pole and econcept for the Swiss Agency for Development and Cooperation (SDC). The Project features three Outcome areas: (1) climate action planning, (2) access to finance for climate action, and (3) enhanced knowledge. SDC charged external reviewers with: (1) assessing the Project's overall performance, (2) highlighting areas of improvement for the Project between now and its end, and (3) making recommendations for a potential future project.

Performance assessment of CapaCITIES 2 Project to date

The review assessed Project performance according to several evaluation criteria, as follows:

Relevance & Coherence. The Project design is coherent. The Project is highly relevant to addressing local challenges and implementing national policies and missions at the local level. Design of the present Phase 2 Project clearly responded to recommendations made at the end of the previous (Phase 1) Project. Early signs indicate that the city climate action plans being developed and soon to be released under Outcome 1 give balanced attention to mitigation and adaptation concerns; this provides for greater local 'relevance'. On the other hand, Outcome 2 assistance to bankable projects has favored projects that yield mitigation benefits. For both Outcome areas 1 & 2, implementing agencies could further demonstrate relevance by more thoroughly considering and then reporting on the local 'co-benefits' of climate action.

Effectiveness. Key Project achievements to date include the following:

- ✓ The four Project cities added in Phase 2 have approved climate action plans using a simplified planning process.
- ✓ Municipal corporations have begun to allocate budgetary resources to climate action.
- ✓ The Project provided input into the national-level Climate Smart Cities Assessment Framework 2.0 and the state-level Tamil Nadu Urban Livability Framework, both of which have been institutionalized.

Actions expected to lead to additional major achievements are well advanced or pending. These include:

- ✓ All eight Project cities are developing climate action plans using a comprehensive process.
- ✓ Considerable public and private resources to support priority city-level climate actions are in the pipeline.
- ✓ The Project's 'Basket of Solutions' framework has helped inform the Disbursement Linked Incentives of a World Bank loan programme currently being formulated in Tamil Nadu.
- ✓ The ICLEI SA Executive Director is contributing to an update of the national Urban and Regional Plan Formulation Guidelines.
- ✓ Institutionalizing urban climate action planning processes at the state level is pending.

Other key findings related to effectiveness: (1) Both climate action plans and city-level projects could more systematically embrace a pro-poor jobs and livelihoods approach. (2) The core Project toolkit could be further consolidated, polished, disseminated, used as a basis for capacity-building, and provided to training institutions. (3) Further engagement with the Ministry of Housing and Urban Affairs as well as key national missions could have been attempted. In sum, with concerted effort, virtually all Project Outputs and Outcomes look within reach.

Efficiency. Project implementation generally seems to have been efficient. Using grant resources and technical support to leverage additional resources represents an important Project approach to utilizing resources efficiently. The Project Steering Committee seems to have functioned well. On the other hand, in part as a result of the Covid

pandemic, the Project Advisory Committee has not proven effective. Streamlining certain internal procedures to yield further efficiencies may be worth exploring.

Impacts. The Project has begun to achieve more far-reaching impacts, including, as reported by the IAs, reduced annual GHG emissions from four of the Project cities. Moreover, in their approaches to climate action planning, several of the Project cities show signs of 'transformational change' from business-as-usual. Reviewers did not find any signs that Project grants are dampening local efforts to mobilize market-rate credits.

Sustainability. Core Project learnings and tools have the potential to yield enduring impact. Embedding climate action planning into national- and state-level regulations and guidelines represents a pending key challenge to achieving such. 'Accelerating factors' in the enabling environment include: (i) an increasingly favorable policy framework, and (ii) the knowledge platform and training hub roles that an invigorated National Institute of Urban Affairs is playing in the area of urban climate action. 'Limiting factors' include: (i) the lack of a statutory basis for climate action planning and spending at the local level, (ii) a complex institutional framework for planning and development at the local level, (iii) limited direct Project linkage to state-level training institutes, and (iv) little direct linkage of participating cities to local sources of scientific knowledge about climate change.

Recommendations for the Project between now & end of the Project

Between now the end of the Project, implementing agencies (IAs) should:

General

1. Focus implementation energies on completing Outputs and achieving Outcomes per the Project's Logical Framework.
2. Develop and then execute a Project Close-out / Sustainability Plan. This plan should include a definitive, cross-Outcome area shortlist of the Project's key capacity-building and decision-support tools.

Outcome Area 1 (climate action planning)

3. Help Project cities complete pending sub-steps of the climate action planning methodology.
4. Strengthen the forthcoming final batch of climate action plans in the eight Project cities.
5. Undertake targeted dissemination, outreach and discussions around the final climate action plans and planning processes.
6. Encourage and support all Project cities to obtain the 'badges' offered by the Global Covenant of Mayors for Climate and Energy for which they qualify.
7. Help cities establish direct, ongoing relations with local researchers and academicians who could help generate a local base of scientific knowledge about climate change.
8. Encourage and support participating cities to convert their internal Climate Core Teams and/or external Stakeholder Committees, set up for Project purposes, into standing coordination and advisory bodies.
9. Undertake a final round of capacity-building on the climate action planning process.

Outcome Area 2 (access to finance for climate action)

10. Nudge along, as possible, co-financing agreements with public and private sector sources of finance. Finalize city-level bankable assessment reports and procurement documents under development. Finalize state-level innovative financing reports under development. In coordination with Outcome areas 1 & 3 efforts, finalize sectoral toolkits and a training module on supporting cities to access carbon finance that are under development. Per an NIUA request, package such materials in 'capsules'. Provide trainings and disseminations at city, state and national levels using those materials. Make arrangements to capture any last transactions that are finalized after the Project ends its on-the-ground activities.

Outcome Area 3 (enhanced knowledge)

11. Deliver pending Outcome 3 outputs in a holistic manner, in coordination with the other Outcome areas.
12. Continue to feed learnings from CapaCITIES into national level guidelines and strategies.
13. Contribute a short thought piece as an input to SDC's forthcoming new Guidance Note on Climate, Disaster Risk Reduction and the Environment.

Recommendations for a potential new project beyond 2024

For any such project, SDC should retain the most advantageous features of the CapaCITIES 2 Project, e.g., focusing primarily on the local level while undertaking complementary actions at the state and national levels. At the same time, certain Project approaches could be strengthened and updated, so as to: (1) respond to the Government of India's new and updated climate policies of 2022, (2) provide for a transparent peer review of the core climate action planning methodology, and (3) strengthen pro-poor jobs and livelihoods objectives and approaches. Mix-and-match options for future directions are as follows:

Option 1 – Continue to support cities participating in the CapaCITIES Project while adding new cities

Cities already participating in CapaCITIES could gradually transition to a mentoring and resource role. New cities should be: (i) of less than 2.5 or 3 million population, (ii) located in states that support multi-level governance approaches to climate action, and (iii) located in states that actively participate in relevant national missions.

Option 2 – Focus on hill towns, including in the Himalayan region

Hill towns face particular climate-related hazards as well as other hazards related to building on steep slopes. Working with a set of Urban Local Bodies (ULBs) that share such common features offers advantages. A focus on hill towns would also take advantage of Swiss know-how; meanwhile, no other donors are focused on this niche. A scoping challenge here would involve identifying local governments of sufficient scale to act as effective counterparts. Engaging with smaller ULBs might involve different approaches than those developed under the CapaCITIES Project.

Option 3 – Work at the city-region scale to achieve climatic and environmental benefits

Working at the city-region scale opens up a new set of potentially high-impact, transformance climatic and environmental solutions, e.g., taking ecosystem-based approaches to adaptation. Embracing this approach might involve working with pairs of Municipal Corporations and Urban Development Authorities. Further exploring this approach would involve trying to identify a state-level champion.

Option 4 – Help municipal corporations become creditworthy and obtain credits for climate action

To date a limited number of ULBs have received investment grade credit ratings; a number of others linger just below minimum investment grade. Helping even a limited number of ULBs become creditworthy would be transformational. Assistance in this area would not be far removed from some of the capacity-building provided under Outcome area 2 of the CapaCITIES 2 Project, and could be synergistic with the lending operations of IFIs.

Option 5 – Provide increased inputs into national-level rules and regulations, and support roll-out

A project could: (i) further help to institutionalize city-level climate action planning in national-level regulations and guidelines, and then (ii) support the roll-out of corresponding tools and training materials to ULBs.

1. Introduction

The present document represents the **Final Report** for the external final review of the **Capacity Building for Low Carbon and Climate Resilient Cities Development in India (CapaCITIES) Project, Phase 2** ("the Project"). This Project is funded by the Swiss Agency for Development and Cooperation (SDC) and is implemented by a consortium of Implementing Agencies (IAs): South Pole Group, ICLEI South Asia and econcept. In March 2023, SDC hired a team consisting of an international consultant / team leader and an Indian consultant to carry out this review. For the Terms of Reference for this assignment, see Appendix A.

Below we provide additional background for: (1) the CapaCITIES Project, and (2) the present assignment.

1.1 Background on CapaCITIES Project

SDC launched its CapaCITIES Project in ***June 2016***; this initial Phase lasted until ***July 2019***. As shown in Table 1, Phase I included four cities, from different parts of India.

Table 1. CapaCITIES Project Cities (Phases 1 & 2)

#	Partner cities	State	Phase 1 cities	Phase 2 cities
1	Coimbatore	Tamil Nadu	Yes	Yes
2	Rajkot	Gujarat	Yes	Yes
3	Siliguri	West Bengal	Yes	Yes
4	Udaipur	Rajasthan	Yes	Yes
5	Tirunavelli	Tamil Nadu		Yes
6	Tiruchirappallii	Tamil Nadu		Yes
7	Ahmadabad	Gujarat		Yes
8	Vadodara	Gujarat		Yes

After evaluating the Phase 1 Project in 2018-2019[1], SDC launched CapaCITIES Phase 2[2]. Originally Phase 2 was to run from ***16 July 2019*** through ***July 2023***. However, due to the impacts of Covid-19 restrictions on project delivery in 2020 and 2021, SDC extended the period of performance through ***30 June 2024***.

In this Phase 2, SDC added four new project cities while continuing to work in the original four cities, for a total of eight (see Table 1). As shown in that Table, the new cities were concentrated in two of the four States of the original project, Tamil Nadu and Gujarat; each of those States thus featured a total of three Project cities. This reflected a recommendation from the Phase 1 Project Review that a Phase II Project should "concentrate on cities in one or two states, and use the state level as an entry point".

Per its Project Document, the CapaCITIES 2 Project will (as its **Objective**): "continue to enhance capacities at multiple levels of governance to mainstream climate resilience into the urban planning paradigm". This will involve "strengthening capacities" at the city, state and national levels. Per the **Overall Goal** articulated in its Logical Framework, the Project will find: "Lower greenhouse gas (GHG) emissions growth paths achieved, and resilience to climate change increased in select Indian cities". Under this goal, the Project aims at three **Outcomes**: (1) city and state governments integrate climate change aspects into ***urban planning and implementation***, (2) city and state governments have enhanced capacities to ***access finance*** for scaled up urban climate action, and (3) ***enhanced knowledge*** at the national and global levels on city climate action (see Appendix B).

[1] See Raghupathi, Schmid and Spöerndli, "Review CapaCITIES Project, Phase I: Final Report", SDC, 2019.
[2] See Engler, Kumar, Sadelmann, Chaturvedula, and Dettli, "CapaCITIES: Capacity Building Project on Low Carbon and Climate Resilient City Development in India: Project Document, Phase II", South Pole, ICLEI South Asia, and econcept; approval from SDC, 2019.

1.2 Background, scope & purpose of present review

Per the Terms of Reference (ToR) for this assignment (see Appendix A), the review should fulfil three Objectives. Those Objectives, with respective timeframes, are as follows:

- "Provide SDC with an objective independent assessment of the overall performance of [the] CapaCITIES Project in its second phase" (*16 July 2019 to the present [May 2023]*).
- "Highlight potential areas of improvements so that the Project can fully achieve the planned objectives before the end date of the project" (*The present to 30 June 2024*).
- "Provide ideas and recommendations for a potential future SDC supported project" (*Beyond 2024*).

To achieve those ends, per the ToR the team should: submit an Inception Report, undertake a desk review, and "visit selected project implementation sites in partner cities and states and have meetings (virtual and in person)" with various partners and stakeholders. As a further guide to assessing project performance per Objective 1, the ToR specify a set of 20 review questions.

The review team submitted its final (approved) Inception Report in April 2023. Following a desk review and initial exchanges with SDC and the IAs, per its agreed work plan the review team began its round of site visits, as follows: *Late April 2023* – The national consultant conducted a solo site visit of ***Vadodara***. *1-17 May* – The international and national consultants jointly visited and carried out interviews and site visits in the following locales:

- ✓ the capital and a project city in Tamil Nadu (***Chennai*** and ***Coimbatore***);
- ✓ the capital and a project city in Gujarat (***Gandhinagar*** and ***Ahmedabad***);
- ✓ a project city in Rajasthan (***Udaipur***); and
- ✓ the national capital (***Delhi***).

Late May – The national consultant carried out virtual interviews with officials from the remaining project cities: ***Tirunavelli*** and ***Tiruchirappallii*** in Tamil Nadu, ***Rajkot*** in Gujarat, and ***Siliguri*** in West Bengal. For a list of stakeholders interviewed, see Appendix C.

The review team submitted its draft final report on 4 June 2023. It presented and discussed the draft findings with SDC on 12 June and with the IAs on 16 June. The team also received written comments on the draft from SDC on 13 June[3], and from the IAs on 22 June. The present final (June 2023) version responds to those comments.

Before proceeding we note two caveats. Firstly, the reviewers made a reasonable effort to independently confirm reported accomplishments and impacts, e.g., by reviewing primary documents. This was possible for some outputs and outcomes, but in other cases (e.g., reduced annual city-wide GHG emissions) independent verification lay outside our scope of work. Secondly, we note that, in the interests of space, below we do not try to list *every* relevant accomplishment. Two or three illustrative examples are usually sufficient to substantiate a given finding; periodic progress reports offer a more complete list of project accomplishments.

Following the present (1) introduction, below per the assignment objectives we: (2) assess the performance of the CapaCITIES 2 Project to date (May 2023), (3) offer recommendations for the Project during its remaining months, and (4) provide ideas and recommendations for a potential future SDC support project in this space.

[3] Comments from SDC on 13 June 2023 included several new sub-questions. Two of these ("What is your evaluation of the CRCAP methodology? Could it be improved?" and "Are CRCAPs important tools to fulfil the challenges addressed by the National Missions and/or NDCs, or are the CRCAPs mainly important to raise funding? What gap do they fill in the overall landscape?") are addressed below under the Effectiveness Question No. 4a.

2. Performance assessment of CapaCITIES 2 Project to date

The Terms of Reference for the present assignment (see Appendix A) pose 20 review questions, marshalled into six evaluation criteria. Below, for each of those criteria, the review team offers: (i) specific responses to each of the corresponding review questions, followed by (ii) a brief, overall assessment for the criterion[4]. Per request of SDC, to illustrate certain points below we have referenced a handful of international best practices.

2.1 Relevance & Coherence

Per the OECD, a review of "***relevance***" asks "Is the intervention doing the right things?" It investigates, "The extent to which the intervention objectives and design respond to beneficiaries', global, country, and partner/institutional needs, policies, and priorities". A review of "***coherence***" asks, "How well does the intervention fit?" Is the intervention compatible with "other interventions in a country, sector or institution?[5]"

Responses to specific review questions:

(*1a*) How relevant is the project in the partner cities and states it operates in, i.e., how adequate is the project in addressing the challenges of climate change adaptation and mitigation at city and state level?

One important approach to 'relevance' involves paying balanced attention to mitigation and adaptation challenges. A number of adaptation actions such as managing flood risk may be highly 'relevant' to certain local stakeholders, e.g., residents affected by flooding such as ***Siliguri*** experienced in 2020 and 2022[6]. This balanced attention is implicit in the design of the CapaCITIES 2 Project. For example, in the Project's Logical Framework, the Overall Goal of the Project features two key indicators, given equal weight: (i) avoided GHG emissions, and (ii) vulnerabilities of cities reduced.

The 2019 Review of the previous CapaCITIES Phase 1 Project found it necessary to recommend that "expertise on Adaptation in urban areas [should be] adequately represented". Indeed, in review of the city climate action plans developed during Phase 1, some imbalance can be detected. Firstly, even while the mitigation benefits (in terms of expected reductions in GHG emissions) are carefully estimated for individual actions, the adaptation benefits of those actions are rarely if ever quantified. Secondly, even though the plans identify the "most vulnerable" wards to climate-related hazards, virtually none of the actions proposed explicitly target action in those wards[7].

The approach taken in the Phase 2 Project (the focus of the present review) is remedying this circumstance, particularly in Outcome area 1 (planning). This is seen most clearly in the 'comprehensive' climate action plans that are currently emerging at the end of the present Phase 2[8]. The draft plan for ***Ahmedabad***, for example, includes a series of "adaptation goals and strategies". Under a goal of "becoming a flood resilient city", these include, in the stormwater sector, several complementary strategies including not only "improve storm water

[4] For clarity, at times below we divide a single question into two or three parts, numbered, e.g., 1a, 1b, etc.
[5] Source: OECD (2018). As cited in the ToR for the present assignment.
[6] Note that some climate actions: (i) yield mostly or exclusively mitigation benefits, (ii) others (like flood risk management) mostly confer adaptation benefits, while (iii) yet others yield a combination of mitigation and adaptation benefits. An example of the latter would be an urban forest, which acts as a carbon sink (mitigation) even while helping to address urban heat island effect (adaptation).
[7] The IAs explain: "The premise is that the solutions will be prioritised in the most vulnerable areas/wards/ locations".
[8] The 'simplified' plans developed at the *start* of Phase 2 featured a 'Basket of Solution' with "38 topics for climate actions". The (qualitative) mitigation and/or adaptation benefits of action in these areas were sometimes but not always clearly articulated. For example, in the climate plan for ***Tirunelveli***, one 'goal' was for the city to have "implement a SWM system that adopts Reduce, Reuse, and Recycle principles and minimises environmental impacts". However, we are not told whether those positive environmental impacts involve mitigation and/or adaptation benefits. For further discussion of the 'simplified' versus 'comprehensive' planning methodologies, see response to Effectiveness Question No. 4a, below.

management" but also "increase green cover and urban green spaces" so as to "improve flood resilience and ecosystem services". Most encouragingly, the "potential wards with high risk due to urban flooding", earlier identified via a vulnerability and risk assessment, were clearly flagged for priority attention. At the same time, city-level projects selected for Outcome 2 "bankable project" assistance clearly favored mitigation over adaptation benefits. On a Project spreadsheet summarizing such, all eleven of the selected projects are listed as having mitigation benefits while none showed adaptation benefits. More than half of these projects (6 of 11) were listed as in the renewable energy sector, with a seventh project being a "waste to bio CNG" facility. Such projects may be conducive to leveraging certain government schemes (e.g., state renewable energy policies) or otherwise hold potential for positive results under Outcome area 2. The criteria used to select projects to receive this assistance develop the theme of mitigation in greater detail than adaptation (see Appendix D).

A second important approach to ensuring the local 'relevance' of climate actions involves considering the local, non-climate 'co-benefits' of priority climate actions[9]. Indeed, in UN-Habitat's "Guiding Principles for City Climate Action Planning", where 'relevance' represents one of the eight 'guiding principles', relevance is defined as "delivering local benefits and supporting local development priorities". Per that guidance note:

> Planning for climate action can help [cities] achieve other relevant local objectives in areas such as health, safety, food security, housing, biodiversity, air quality, access to basic urban services, poverty reduction, local economic development and job creation. In many cities promoting these co-benefits may be central to maintaining political support for climate action.

The Phase 2 plans available for review make some efforts in articulating local co-benefits. For example, when identifying transportation priorities the 'simplified' climate action plan for ***Tirunelveli*** point out that "public transport… contributes to reducing GHG emissions [a mitigation benefit] and air pollution [a co-benefit]". At the same time, more explicit discussion and then monitoring and reporting of the local (non-climate) co-benefits of priority actions could be considered, as a way to sustain political support for climate action.

(*1b*) Could the project fill important gaps?

This question breaks down into two parts: (i) are there *important gaps* in the enabling environment for climate action in cities, and (ii) if there are, could the *present project* help fill those gaps? Regarding the latter question, the reviewers consider that, in its final months, the Project should focus energies on consolidating workstreams already begun and achieving planned results (see recommendations below). Therefore, addressing any important gaps should be left for a possible follow-on project.

That being said, regarding the former question there are still a number of gaps in the enabling environment for climate action in Urban Local Bodies (ULBs) in India. Some of these gaps are specific to climate action planning, for example: (i) the absence of a statutory requirement to plan for climate action, (ii) the lack of a requirement or tools to track the allocation of resources to climate action in annual ULB budgets, (iii) the very small fraction of local officials (out of the full universe of such officials) who have actually received training or sensitisation in the use of 'tools' that support climate action planning, and so on. Other gaps are more general in nature but materially affect climate action in cities; these include gaps in the ability to formulate financially viable projects (including climate projects), the lack of creditworthiness of many ULBs, and so on.

Although a number of such gaps in the enabling environment thus exist[10], the reviewers note that one project can only do so much. They consider that the CapaCITIES 2 Project has filled a couple of very central gaps, firstly by promoting integrated climate action planning in cities (Outcome 1). There was even more of a dearth of

[9] For a discussion of considering such co-benefits during the action planning prioritisation process, with resulting gains in terms of 'relevance', see discussion of Effectiveness Question No. 4a, below.
[10] Some of these gaps are addressed in future recommendations; see Chapter 3 below.

such approaches when the Phase 1 Project started[11]. Secondly, helping cities learn to formulate and access resources for climate investments (Outcome 2) also fills a key gap. Like all such projects, finite resources only allow CapaCITIES to directly reach a handful of interested ULBs. But at the same time, building elements into the design of the project to provide for replication at the state and national levels (e.g., through the deployment of project officers at the state level) helps the Project to fill as much of these central 'gaps' as possible.

(*2a*) Is the project aligned with the objectives of various national policies and programmes (Nationally Determined Contributions, Smart Cities Mission, National Sustainable Habitat Mission, etc.)[12]?

At the ***national*** level, the project is well aligned with relevant policies and programmes[13]. The *National Action Plan on Climate Change* (*2021)* indicates that several "national missions… form the core of the National Action Plan", and the Project is congruent with several such missions:

- ✓ The *National Mission on Sustainable Habitat (2021-2030)* calls on cities to prepare climate action plans. In that call, it specifies several elements (e.g., baseline inventory of GHG emissions, assessment of vulnerabilities) addressed in the CRCAP methodology.
- ✓ Project assistance with developing charging stations for electric buses in ***Ahmedabad***, and deploying e-rickshaws in ***Udaipur***, helps to further the *Faster Adoption and Manufacturing of Electric and Hybrid Vehicles (FAME) scheme*.
- ✓ Also in ***Udaipur***, technical assistance to prepare a City Water Balance Plan corresponds to the *Atal Mission for Rejuvenation and Urban Transformation (AMRUT) 2.0*.
- ✓ Assistance to a floating solar project in ***Coimbatore*** furthers a solution that arose from the *Smart Cities Mission*.

The Phase 1 climate action plans contain numerous cross references to these and other missions as a means of implementing certain priority actions.

At the ***state*** level, particularly in Gujarat and Tamil Nadu, the Project is well aligned with – and even supporting the development of – key policies and missions. Examples[14]:

- ✓ In both ***Gujarat*** and ***Tamil Nadu***, the Project is helping cities access state-level financing schemes (e.g., e-autos in ***Rajkot***, floating solar and waste-to-bio CNG in ***Coimbatore***).
- ✓ In ***Gujarat***, the Project prepared a policy brief for aggregate offset captive solar for households living in apartment buildings.

At the same time, the Project could make the alignment between the city- and state-level climate action plans more explicit. For example, the *State Action Plan on Climate Change* for ***Tamil Nadu*** offers a number of entry points for local-level climate action, e.g., sustainable habitat, energy efficiency, renewable energy. Those priority sectors are in fact well aligned with certain actions in the approved climate plans in, e.g., ***Coimbatore*** and ***Tirunelvelli***. However, those cities' climate action plans do not make that linkage explicit – they do not state that implementing certain actions will support Tamil Nadu in implementing its State Action Plan.

Making this alignment of local with state plans explicit is not just a good practice, conducive to multi-level governance. According to an Urban Specialist at the Asian Development Bank, it could also increase interest in

[11] By comparison, the EC-funded Promoting Low Emission Urban Development Strategies (Urban-LEDS) Project initially (i.e., in Phase 1, 2012-2015) only helped project cities plan for *mitigation* action. Phase 2 of the Urban-LEDS Project also provided for integrated mitigation-adaptation action, but that project only began in 2017, after the start of the CapaCITIES Phase 1 Project in 2016.

[12] Per the Inception Report, the response to the present question is also addressing state-level alignment.

[13] For discussion of alignment with India's recently announced (Nov 2022) *Long-Term Low-Emission Development Strategy*, see response to Effectiveness Question No. 6, below.

[14] For further examples that show how the Project has institutionalized tools and learnings and otherwise impacted policies at the state level, see responses to Effectiveness Question 5 and Impact Question 1, below.

the ADB (and perhaps other IFIs) in investing in soon-to-be released climate plans from the eight Project cities. Potentially, it could also help cities access state financing and/or provide for more holistic adaptation action.

(*2b*) What learnings from CapaCITIES are contributing to SDC's Global Programme on Climate Change and Environment (GPCCE) Strategy?

SDC achievements in India (including, presumably, those realized through the CapaCITIES Project) are recognized in GPCCE's *Programme Framework 2021-2024*[15]. That document states:

> The GPCCE's current physical presence in China, ***India*** and Peru proved to be relevant and effective. It will, therefore, continue to work with [those] partner countries…. In ***India***, the GPCCE will maintain its focus on increasing energy efficiency in [the] built environment, improving air quality in cities as well as supporting integrated risk management and climate-resilient water management in… urban areas.

The newly-formed CDE Section is currently (June 2023) undertaking its mid-term review; it then plans to update its Programme Framework and formulate a whole-of-SDC Guidance on Climate DRR and Environment. For a suggestion on how to crystalize key learnings from the CapaCITIES Project and feed them into this strategic process, see Chapter 3, below.

(3) How has the Project exchanged and interacted with global initiatives working on climate resilience for cities such as C40, GCoM, RCAP, etc.? What has been its added value compared to existing initiatives?

CapaCITIES 2 has indeed helped the Project cities interact with key global initiatives, with added value. Two examples:

In the case of the ***Global Covenant of Mayors for Climate and Energy (GCoM)***, the Project has assisted all eight participating cities to "commit" to the Global Covenant; this is confirmed on the GCoM website (see www.globalcovenantofmayors.org). Moreover, the Project has helped six of the eight Project cities receive at least one "badge" from GCoM – recognition that they have begun to take climate action[16]. Moreover, the sustained assistance provided by CapaCITIES, led by a full-time project officer located in or adjacent to MC offices, is clearly over and above the limited support that GCoM offers. Per its website, GCoM support is limited to "access to tools, materials and a dedicated regional/national helpdesk". Thus, CapaCITIES adds value.

Regarding the ***C40 Cities Climate Leadership Group***: the complementarity and value-add of CapaCITIES relates firstly to the size range of city that each initiative respectively targets. On the one hand, most cities that C40 invites to join are, per its website, "megacities [that] have an urban population that currently/is expected to exceed three million or more people by 2030". CapaCITIES, on the other hand, largely focuses on cities of between 750,000 and 2.5 million population size[17]. CapaCITIES' tools are primarily designed for that important urban cohort. Secondly, again CapaCITIES provides sustained, in-person support, which C40 does not.

To summarize: on the one hand, both GCoM and C40 provide: a global platform for networking, visibility and advocacy; access to tools; limited remote support; and recognition of the major milestones that member cities achieve while taking climate action[18]. On the other hand, CapaCITIES provides in-depth, on-the-ground support to climate action. Also, CapaCITIES generally focuses on supporting a smaller cohort of city than does C40.

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[15] In September 2022, the GPCCE Unit of SDC merged with the Disaster Risk Reduction (DRR) Team, creating the new Climate, DRR and Environment (CDE) Section of SDC.

[16] The current tally of badges is: Rajkot – all; Coimbatore – 4; Udaipur – 4; Siliguri – 2; Trichy – 1; Vadodara – 1.

[17] Here ***Ahmedabad*** represents a special case of overlap: at 7.7 million it is by far the largest of the Project cities and it was recently invited to join C40. In this case, the CapaCITIES IAs have initiated discussions with C40 about possibly co-branding Ahmedabad's forthcoming climate action plan (being developed with Project support) as a joint C40/CapaCITIES product; a final decision on this proposal is pending.

[18] As noted, GCoM has system of badges. C40 will either list cities as "temporarily inactive" or else revoke the membership of cities that "do not meet the requirements of the C40 Leadership Standards".

(4) Have the recommendations of the Phase 1 review been addressed?

Space does not permit individual consideration of each of the 25 "main recommendations" offered by the authors of the earlier CapaCITIES Project Phase 1 review[19]. We respond, though, as follows. The design of the Phase 2 Project clearly responds to those earlier recommendations. Most importantly:

- ✓ The Phase 2 Project did "extend the intervention level from Municipal Corporation (MC) to include other administrative levels," particularly "the state level".
- ✓ Likewise Phase 2 is "concentrate[ing] on cities in one or two states and us[ing] the state level as entry point". Via a competitive process, the Project selected ***Gujarat*** and ***Tamil Nadu*** as counterparts. Both of those State governments have indeed proven to be engaged partners. At the same time the Phase 2 Project added two new cities in each of those States, even while it also followed guidance to "continue in the current cities with a lower intensity".
- ✓ Even while continuing to advance integrated climate change planning, the Phase 2 Project is indeed "Support[ing] the development of bankable projects in order to make direct impacts".

These recommendations, embraced by the IAs, have all borne fruit. Otherwise, in Chapters 3 and 4 below we cite certain recommendations from the earlier Phase 1 Project review where they relate to new suggestions offered by the present Phase 2 review team.

Overall conclusions regarding Project relevance and coherence: The Project design is coherent. The Project is highly relevant to addressing local challenges and implementing national policies and missions at the local level. Early signs indicate that the city climate action plans being developed and soon to be released under 'Outcome 1' give more balanced attention to mitigation and adaptation concerns than occurred during the previous (Phase 1) project; this provides for greater local 'relevance'. At the same time, 'Outcome 2' assistance to bankable projects has favored projects that yield mitigation benefits. Relevance could be further demonstrated by more thoroughly considering and then reporting on the local 'co-benefits' of climate action.

2.2 Effectiveness

Per the OECD, a consideration of the "*effectiveness*" of a given project asks, "Is the intervention achieving its objectives?" Here the review is concerned with "closely attributable results", or "direct and primary effects". Consideration of less immediate or longer-term effects is deferred to evaluation of "*impacts*" (see below).

In considering effectiveness, project evaluators are given some leeway to focus on "the objectives and/or results that are of most interest". At the same time, they may "look beyond [explicitly stated] objectives… to examine equity issues and results for groups that have been marginalized".

(*1*) Has the project achieved the expected *outcomes* and *outputs* as defined in the project log frame?

The CapaCITIES Phase 2 Logical Framework includes three **Outcomes**, with three **Outputs** per Outcome area (see Appendix B). For each Outcome and Output, the log frame assigns between one and five **Indicators.** The IAs routinely report in detail on their progress against log frame elements. The present (external) review is therefore more high-level and synthetic; it also acts to independently validate project reporting.

In assessing progress to date (June 2023), the review team is mindful of the unprecedented disruptions brought about (beginning around March 2020) by the lockdown response to the global Covid-19 pandemic[20]. While an impediment to the production of Outputs, the lockdown no doubt was a particular hindrance to the

[19] See Raghupathi, Schmid and Spöerndli, "Review CapaCITIES Project, Phase I: Final Report", SDC, 2019. Quotes below are from pp. 3-4 of that document.
[20] See further discussion as part of the response to Effectiveness Question No. 6, below.

achievement of *Outcomes*, which generally involves obtaining the support and often active collaboration of external stakeholders. That being said, Project status is as follows:

Outcome 1: City and state governments integrate climate change aspects (adaptation and mitigation) into urban planning and implementation.

The IAs prepared the 'simplified' climate action planning methodology with supporting tools (***Output 1.1:*** *completed*). The impacts of the Covid-19 pandemic – both from the shutdown as well as upon human resources, travel, meetings and so on – delayed the preparation and implementation of climate action plans in the eight cities. As noted above, at present (June 2023) the IAs have helped the four new Phase 2 cities develop climate action plans using the 'simplified' methodology; they have released those plans. At present IAs intend to help all eight cities develop and approve 'comprehensive' climate action plans by the end of the year (***Output 1.2:*** *partly completed*). Preparatory work (e.g., institutional mapping) has been undertaken in support of "Institutionalization of the urban climate action planning process at the state level". However, ***Output 1.3*** (with its challenging indicator of "State-level programmes, missions, regulations, and urban planning guidelines include climate change aspects") is *not yet completed*.

At the ***Outcome*** level, we note that cities have begun to implement climate actions, including by allocating budgetary resources to such ends. Careful review of the approved annual budgets for ***Rajkot***, for example, reveals an allocation for climate actions totaling INF 4510.33 million (CHF 62.6 million) for 2021-22, and INF 5176.8 million (CHF 64.62 million) for 2022-23. ***Outcome 1*** as a whole is *partly achieved*.

Outcome 2: Enhanced capacities of city and state governments to access finance for scaled-up urban climate action.

Per *Output 2.1*, the Outcome 2 team systematically identified bankable projects via *concept notes* (15) and then *assessment reports* (nine plus two under development). Then the IA developed *procurement documents* for the most promising (four plus two under development) (***Output 2.1:*** *virtually completed*).

The *Output 2.2 indicator* measures actual "financing secured from other sources (beyond municipal budgets) for implementation of co-financed projects"; completing this milestone should be confirmed by "co-financing agreements" or similar. Documents show that participating municipal corporations have indeed committed budget resources to climate projects supported by the Project. Such commitments to date are estimated as totalling CHF 3.04 million, in three cities: ***Rajkot*** (renewable energy, Phase 1)[21], ***Udaipur*** (Green Mobility Zone) and ***Coimbatore*** (floating solar). At the same time, substantial additional resources from other (non-municipal) public and private sources are in the pipeline, estimated as follows:

Potential public sources
Rajkot – renewable energy – CHF 6.7 million
Rajkot – e-mobility (electric auto-rickshaws) – CHF 1 million
Vadodara – renewable energy – CHF 1.1 million
Udaipur – e-mobility – CHF 1 million
Coimbatore – Bio CNG – CHF 2 million
Total: CHF 11.8 million

Potential private sources
Rajkot – e-mobility – CHF 2 million
Udaipur – e-mobility – CHF 2 million
Coimbatore – bio CNG – CHF 5 million
Ahmedabad – e-bus – CHF 0.26 million
Total – CHF 9.26 million

[21] Resources allocated to this sector in Rajkot represent only a portion of the total budget allocated for climate action in that city noted above.

Thus, "financing secured from other sources" is still pending. (***Output 2.2:*** *pending*).

Output 2.3 involves enhancing "State and city-level capacities to enable access to climate finance"; this entails achieving three specific indicators, with the status as follows:

1) The IAs do indeed report developing project-specific "contracting models" and documents for four projects (waste-to-bio CNG and floating solar in ***Coimbatore***, Green Mobility Zone in ***Udaipur***, and a solar project in ***Rajkot***). The specifics of contracting documents were then integrated in capacity building modules (e.g., how to use project specific data when structuring a concession agreement and mitigating risk). (*Output 2.3 Indicator 1: completed*).
2) While capacity-building materials have been "developed" and shared with NIUA and its network of training institutes, and the Project has engaged to some extent with "state training institutes", "anchoring" those materials in those institutes is pending (*Output 2.3 Indicator 2: partly completed*).
3) "Training provided to city and state officials, finance sector representatives and developers to access climate finance (at least four trainings)". With two state-level and one city-level workshop completed, the *Output 2.3 Indicator 3* is *mostly completed*.

Thus, ***Output 2.3*** is *partly completed*. More broadly, ***Outcome 2*** as a whole is *partly achieved*.

Outcome 3. Enhanced knowledge on accelerating city climate action at the national and global level.

Support to the GoI in testing and applying the Climate Smart Cities Assessment Framework (CSCAF) 2.0 both in Project cities as well as in others represented a strong contribution to *Output 3.1*. At the same time, support is ongoing in packaging capacity-building materials in a "capsule" format requested by NIUA. Celebration of a "closure workshop" (as called for in the Log Frame) is of course pending. (***Output 3.1*** – *partly achieved*).

Preparatory work (including the preparation of policy briefs) has been accomplished for the "policy dialogues [to be] conducted at the national level for mainstreaming project results" (***Output 3.2*** – *pending*). Dissemination has occurred at the global level (e.g., by uploading reports to the CDP-ICLEI Unified Reporting Platform, and at a side event at the UNFCCC's 26th Conference of Parties in 2021). Likewise, global linkages have been established (see discussion of Relevance question No. 3, above). (***Output 3.3*** – *achieved*)

At the *Outcome* level, the recent nomination of ICLEI SA Executive Director to the committee charged with updating the national Urban and Regional Plan Formulation Guidelines represents an additional promising vector for sharing city-level learnings at the national level. (***Outcome 3*** – *partly achieved*)

Overall we can say that, at present, the CapaCITIES 2 Project has well advanced in achieving its *Outputs* and *Outcomes*. In the concluding months of the Project, focused attention on achieving remaining targets should result in the Project completing virtually all of those pending *Outputs* and most of these *Outcomes* by the end of 2023, with additional positive results possible thereafter.

(*2*) Is the choice of partner cities and demonstration projects appropriate, and have they achieved their stated goals by contributing to the project outcomes?

Partner cities were chosen through a systematic process. Virtually all of the partner cities are in the range of 750,000 to 2.5 million inhabitants, with ***Siliguri*** and ***Vadodara*** marking the lower and upper extremes of this range, respectively. This size range seems appropriate for the sorts of assistance that the Project offers. Municipal Corporations in cities of this size generally have sufficient capacity to act as effective counterparts to such projects without facing excessive coordination challenges with other donors (see below). At the same time, there is opportunity for positive impacts of reasonable scale.

The review team visited ***Ahmedabad***, in part to assess the effectiveness of Project interventions in a much larger city (population 7.7 million). Cities of this size and capacity may demand more specialized assistance than their smaller counterparts. Ahmedabad officials expressed appreciation for CapaCITIES Project assistance, in particular with the 'Outcome 2' assistance, e.g., in accessing financing for e-buses via carbon credits. Here and elsewhere, the depth of technical support that the CapaCITIES IAs can draw upon internationally from within their organizations has helped them provide the sorts of specialized assistance that a larger city values.

Larger cities such as ***Ahmedabad*** also may attract attention from a broader range of development partners. While realizing synergies between the interventions of a diverse set of partners is certainly possible, this circumstance also imposes an additional coordination challenge not only for project implementers but also upon senior local officials. One such coordination challenge in Ahmedabad was pending at the time of the reviewers' site visit. That city recently joined the C40 Cities Climate Leadership Group – an exclusive network which mostly targets leaders of the world's largest cities. While the overall aim of C40 points very much in the same direction as that of the CapaCITIES 2 Project, towards ambitious climate action, their specific methodologies and ways of working may not be completely congruent with CapaCITIES' approaches. For example, C40, with an eye on the Paris Agreement, considers (with some exceptions) that "the target year for emissions neutrality" for member cities "should be in the 2040s or sooner, but 2050 at the latest". This contrasts with the CapaCITIES 2 Project's current efforts, per GoI policy, to help cities plan for carbon neutrality by 2070. At present (June 2023), discussions are ongoing as to C40 'acceptance' or possible co-branding of the CapaCITIES-supported climate action plan now being finalized.

The review team also looked into the effectiveness of Project support in higher-capacity cities that have received investment-grade credit ratings and issued municipal bonds; such is the case for ***Vadodara*** as well as ***Ahmedabad***. Indeed, officials in those cities expressed appreciation for Project support. As one sign that municipal creditworthiness does not necessarily betoken high levels of financial capacity spread broadly across local staff: one reviewer received a request in Vadodara for capacity-building on some basic concepts of project finance, e.g., internal rate of return and the difference between economic and financial viability.

Finally, the reviewers note the reported decision by West Bengal State to not engage in national missions[22]; this circumstance has hindered Project engagement – particularly in the area of Outcome 2 – with those missions in ***Siliguri***. Per the IAs: "It was challenging to develop projects that could leverage central government schemes in Siliguri. It was not because the Siliguri administration did not want it but due to political [reasons]". As a result, the formulation of projects, development of financing schemes and submittal of applications for public (non-municipal) resources occurred in other Project cities, not in Siliguri.

Demonstration projects appear to have been chosen through rigorous selection processes. Certain demonstration projects seem to have been particularly well chosen, in that initial 'quick win' pilots have acted to prove new technologies that the city is then willing to scale up. For example, a 1.5 tonne per day (TPD) 'quick win' biogas plant in ***Coimbatore*** has emboldened the MC to embark on a 200 TPD biogas plant[23].

The review team notes that, while some of the demonstration projects selected for in-depth (Outcome 2) support are specifically called for in that city's climate action plan, others are not. In ***Udaipur***, for example, of three projects that have received in-depth support and were visited by the reviewers, one (biomethanation plant) clearly appears in that city's climate action plan; the other two, Mohta Park urban forest, Green Mobility

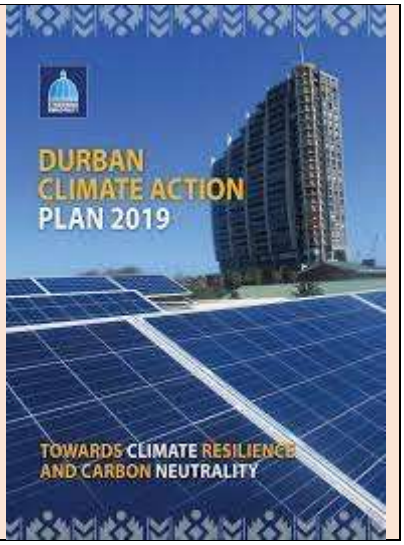
[22] Per Wikipedia, "All the participants for West Bengal have withdrawn from the Smart Cities Mission". See https://en.wikipedia.org/wiki/Smart_Cities_Mission. For further background, see https://www.hindustantimes.com/india-news/mamata-vs-modi-govt-5-central-schemes-stonewalled-by-the-west-bengal-cm/story-DtF3ZJKSvrMOiE8etkd03J.html. The implications of this decision for project delivery may well have been hard to foresee at the outset of the CapaCITIES Project when the initial set of participating cities was chosen.

[23] For additional discussion of this point, see response to Efficiency Question No. 1, below.

Zone (GMZ), do not[24]. Of the criteria used to select, for example, the GMZ project for 'bankability' assistance (see Appendix D), 'inclusion in the city's climate action plan' is not apparent. The reviewers do not find this to be a cause for concern: one can reasonably think of climate action planning as a *process* rather than as a *plan* that is set in stone. In fact, as local officials become more committed to taking climate action, they may well move away from initial, more limited planned activities (e.g., adopting LED lighting) to more 'transformative' projects such as the Green Mobility Zone. In such cases, approved climate action *plans* may well lag behind the most ambitious initiatives – a not uncommon occurrence in cities around the world (see ***Box 1***).

Box 1. Pilot activities preceding the mainstreaming of climate actions in plans: Durban, South Africa

For an example of a city (**Durban, South Africa**) in which various pilot activities (e.g., increasing the energy efficiency of municipal buildings) preceded the "mainstreaming of climate change concerns within various municipal short-and long-term planning processes", see Robert, Debra (2008). "Thinking globally, acting locally – Institutionalizing climate change at the local level in Durban, South Africa" at https://www.researchgate.net/publication/250061506_Thinking_Globally_Acting_Locally_-_Institutionalizing_Climate_Change_at_the_Local_Government_Level_in_Durban_South_Africa.



In the spirit of "looking beyond [explicitly stated] objectives… to examine equity issues" (per OECD evaluation guidance; see above)[25], the reviewers gave some consideration to the pro-poor employment and livelihoods dimensions of CapaCITIES interventions[26], with a focus on the (sub-)projects targeted for in-depth support.

In actual implementation, certain of these projects do indeed have a strong pro-poor job and livelihoods dimension. For example, under the e-rickshaw demonstration project in ***Rajkot***, IAs report that, in the Project's Phase 2, "individuals from economically weaker sections are prioritized to receive the benefit of the gap financing extended through the Project". However, such pro-poor considerations are not strongly developed in the CapaCITIES 2 Project design. While the Project Document briefly mentions "identifying opportunities or interventions that can be taken up by the cities to empower the urban poor women through better livelihood…", such is not tracked via performance indicators in the Project's monitoring framework[27]. This absence is then reflected in project implementation; for example, such pro-poor considerations do not appear in the selection criteria for bankable projects (see Appendix D), nor are they developed in the concept notes

[24] The sector corresponding to the urban forestry project is not included in the Udaipur climate action plan. While the transportation sector is included in the plan, the four recommended interventions in that sector (electric buses, "replacement of traditional auto-rickshaws across the city by electricity-powered Intermediate Public Transport [IPT]", electric cars, electric garbage vehicles) all concern city-wide shifts towards more climate-friendly vehicle technologies. None of those four interventions closely describes the area-based Green Mobility Zone initiative. Interviewees advised that this initiative largely grew out of the Smart Cities Mission.

[25] Thus, reviewers are encouraged to look beyond the Logical Framework and consider project design.

[26] This is per OECD DAC policy on "Promoting pro-poor growth", which notes that "productive employment and decent work are the main routes out of poverty"; this includes work "in the informal economy, where most poor women and men earn their livelihoods". They advise that "productive employment and decent work needs to be a key objective of development cooperation", with a "focus on youth, women and vulnerable groups". "Key areas for donors' attention" include "supporting women's organisations that promote women's economic empowerment" (OECD, 2009). Such considerations find expression in the SDC Programme Framework for GPCCE (2021-2024), which calls for "enhanced collaboration with… thematic networks (e.g., employment and income… [and] gender)".

[27] See footnote 25.

used to select projects for Outcome 2 assistance[28]. In part as a result, such positive pro-poor impacts, when they do occur, may not be sustained. In ***Udaipur***, for example, the reviewers visited a Project-supported biomethanation plant. IAs advised that a "self help group of women" was initially involved in its operation. However, later "TERI [a not-for profit research organization] took over the plant for research purposes"; this reduced the women's empowerment benefits that were accruing. In addition to the direct poverty alleviation benefits of sustained pro-poor job and livelihood creation, local officials in some cities have actually found tracking and reporting on such to be a way to maintain political acceptance for climate action (see ***Box 2***).

Box 2. Reporting on livelihoods benefits from climate projects in eThekwini, South Africa

Local officials in South Africa have proven adept at reporting on the local co-benefits obtained from climate action plans and projects. For example, as a host city for South Africa's 2010 FIFA World Cup, eThekwini Municipality decided to offset emissions associated with that event through a series of projects. One such project was the Buffelsdraai Community Reforestation Project. This 284 hectare project sought as a primary benefit to offset around 50,000 tCO_2e. At the same time, project implementers supported unemployed persons in setting up small-scale indigenous tree nurseries at their homes, a livelihoods co-benefit. They carefully documented such co-benefits, including the creation of a total of 24 full-time, 10 part-time and 340 temporary jobs. Local officials have found that documenting such local co-benefits helps to maintain political support for climate action. (https://unhabitat.org/guiding-principles-for-city-climate-action-planning)

(*3*) How effective is the overall institutional set-up of the Project?

At present we discuss: (i) the Project's engagement with external counterparts and stakeholders, and (ii) the institutional set-up of project officers and experts at various levels of government[29].

The **National Institute of Urban Affairs (NIUA)** has proven to be an engaged counterpart, with the Director of NIUA personally providing guidance and expressing support for replication of key Project approaches and tools. While NIUA is not formally a part of the Government, it does enjoy a close working relationship with the Ministry of Housing and Urban Affairs (MoHUA), which at times seems to regard it as its technical arm.

The **CapaCITIES 2 Project Advisory Committee** was intended as the primary structure for the provision of "strategic advice" from other stakeholders active in this space. However, this body has not proven to be an effective institutional means to transmit such advice, for at least two reasons. Firstly, due in part to the impacts of the Covid-19 lockdown, the inaugural meeting of this Committee only took place in January 2023 – too late in the Project implementation period to have much meaningful impact on Project direction. Secondly, the large number of participants (29) in the January 2023 meeting was not conducive to focused advisory discussion. The effort involved in servicing the meetings of such a large and cumbersome body may not seem commensurate with the quality of the guidance received.

[28] In the 9/22 Concept Note for the "Waste to Bio CNG" project in ***Coimbatore***, for example, while analysts identify "at least 500 jobs created" as a co-benefit, what proportion of those jobs are expected to go to the semi-skilled, unskilled, poor, or marginalized is not discussed.

[29] For the Project's Steering Committee and Advisory Group, see Efficiency Question No. 2, below.

While the reviewers note that some engagement with the **Ministry of Housing and Urban Affairs (MoHUA)**, mentioned in the CapaCITIES Project Document as "the nodal Ministry responsible for urban development in the country", has occurred[30], they believe that this relationship could have been further cultivated. This could have taken place in the context of the above-mentioned Project Advisory Committee, if not bilaterally. Such in fact was called for by the CapaCITIES 2 Project Document, which indicated that a representative of the MoHUA should be one of the five "permanent members" of that Advisory Committee. However, neither did a MoHUA representative participate in that body's January 2023 meeting, nor did the organizers officially send a copy of the minutes from that meeting to that Ministry. On the other hand, when interviewed by the review team a representative of MoHUA did not voice any concern that that Ministry should have been more strongly involved in the institutional set-up of the original CapaCITIES 2 Project, as could have been the case[31]. Rather, the ministry representative interviewed seemed content with NIUA serving as the Project's main counterpart.

As suggested above, the Project touches on several urban sectors that are addressed by dedicated national- or state-level Missions, e.g., Smart Cities, FAME, Amrut. However, representatives of those Missions did not participate in the January 2023 meeting of the Project Advisory Committee, nor was such engagement explicitly provided for in the original CapaCITIES 2 Project Document.

Regarding the institutional set-up of project staff: the IAs have assigned considerable human resources in the form of "project officers" (POs) to the eight cities and two states that are participating in the Project. Among other tasks, these 'embedded' officers (who generally sit in or adjacent to the municipal offices) play a role lead in developing the climate action plans for their respective cities. "Project coaches" backstop the POs, while a pool of Swiss and national experts provides additional substantive expertise[32]. In general, the reviewers consider this institutional setup to be a positive feature of the Project. Such sustained support builds trust with counterparts, and indeed the local officials interviewed uniformly expressed appreciation for the POs assigned. The possible drawbacks to this arrangement include: (i) local officials may not absorb new learnings, but rather rely excessively on the POs to do the work required; (ii) POs may in time become excessively identified with, and virtually indistinguishable from, municipal staff, a form of "institutional capture"; and (iii) this approach is not sustainable as POs will leave once project support concludes. The reviewers are not able to conclude how much if at all these concerns have come to pass under CapaCITIES 2. We can, however, note that the risk of such developments increases when staff do not periodically rotate from one location to another, as has sometimes been the case under the CapaCITIES Project.

(*4a*) Have the climate action plans facilitated systematic planning?[33]

This question (and accompanying Effectiveness Question No. 4b, below) lie at the heart of the present review. We begin by offering additional context. The methodology used by the CapaCITIES Project to develop climate action plans is called ClimateResilient Cities Action Planning (CRCAP). This process model has actually gone through three iterations during the life of the Project (see ***Box 3*** and Appendix E for diagrams).

In reviewing the CRCAP methodologies, we note, firstly, that the '*comprehensive*' CRCAP methodology does indeed conform to international guidelines for city-level climate action planning (see ***Box 4***). This planning process is both participatory (Step 1.3) as well as based on scientific evidence gathered primarily via a GHG emissions inventory (Step 3.1) and review of climate risks and vulnerabilities (Step 3.2). Local decisionmakers set targets (Step 4.3). The resulting plan (also approved in Step 4.3) includes actions designed to yield both

[30] The Project IAs report that they held a meeting with the Joint Secretary MoHUA on 2 May 2023 to discuss dissemination of key Outcome 2 outputs and related.
[31] For example, MoHUA is the main counterpart for the GIZ's Climate Smart Cities Project, launched in 2018. The GIZ Project is not dissimilar in scope and design to CapaCITIES.
[32] See Figure 4.3 in CapaCITIES 2 Project Document.
[33] Here we also take up two new sub-questions posed by SDC on 13 June 2023: (i) "What is your evaluation of the CRCAP methodology? Could it be improved?" and (ii) "Are CRCAPs important tools to fulfil the challenges addressed by the National Missions and/or NDCs, or are they mainly important to raise funding? What gap do they fill in the landscape?".

Box 3. What is the ClimateResilient Cities Action Planning (CRCAP) model?

IAs have followed three different versions of the CRCAP process model, as follows:

- *During CapaCITIES Phase 1* – IAs helped the four original Project cities develop climate action plans using the **'comprehensive' CRCAP methodology**. This 'comprehensive' process model includes three major *phases* ('analyze', 'act' and 'accelerate'), broken down into a total of nine *steps* and 27 *sub-steps*. Most steps are supported by one or more *tools*.

- *During the start of CapaCITIES Phase 2* – IAs assisted the four new Project cities develop plans using a **'simplified' CRCAP methodology**. While retaining the original three *phases*, this 'simplified' methodology includes only five *steps* and ten *sub-steps*.

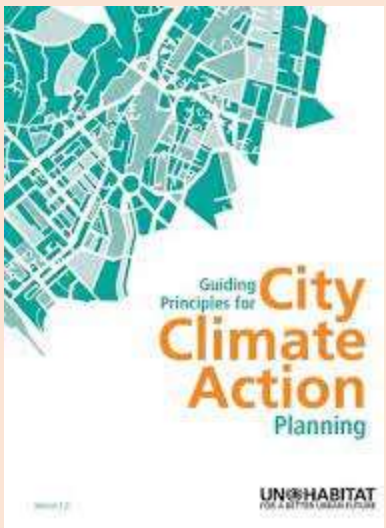
- *At present, during the final part of CapaCITIES Phase 2* – IAs are helping all eight Project cities develop new or updated climate plans using a ***revised version of the 'comprehensive' CRCAP methodology***. We understand that this version (still in draft form, not available for review) has been updated to reflect the GoI's new 'net zero by 2070' policy on GHG emissions[34].

For diagrams of the 'simplified' and 'comprehensive' methodologies, see Appendix E; for process descriptions and most associated tools, see https://www.capacities.org/climateaction .

mitigation and adaptation benefits. Conformity to international standards is confirmed by the badges that, as noted above, the GCoM Secretariat has awarded to several of the Project cities for their climate action plans and supporting analyses.

Box 4. International reference points for city-level climate action planning

UN-Habitat's *Guiding Principles for City Climate Action Planning*, endorsed by 45 institutional partners including the World Bank, GEF, UNEP, UNISDR, WRI, United Cities and Local Governments, and ICLEI – Local Governments for Sustainability, offer a framework for assessing and strengthening city-level climate action planning. (See https://unhabitat.org/guiding-principles-for-city-climate-action-planning)



The *Common Reporting Framework* of the Global Covenant of Mayors for Climate and Energy sets out the key elements necessary to develop and frame an evidence-based city-level climate action plan. (See https://www.globalcovenantofmayors.org/our-initiatives/data4cities/common-global-reporting-framework/)

[34] More specifically, IAs advise: "For net-zero action plans, two target periods are set, with two scenarios each – one progressive scenario and one net-zero scenario. In the previous [comprehensive] CRCAP, one target period was set using the projections tool".

Secondly we note that, while the '*simplified*' CRCAP methodology used at the outset of Phase 2 likewise is indeed systematic, it omits a number of the steps deemed essential by international climate action planning guidelines. Under this 'simplified' approach, a city does not have to inventory GHG emissions, or make a map-based assessment of vulnerabilities. The Project website explains the reasons for this approach: "Project cities are being encouraged to adopt this [simplified] approach… to develop an abridged climate action plan that can support the city's foray into local climate action". In other words (per an IA representative), "The reason for proposing the simplified [process] was to fast-track climate actions in cities". These completed CRCAPs (developed via simplified processes) also reportedly provided for higher scores in the GoI's ClimateSmart City Assessment Framework – an advantage in terms of perception as well as, potentially, funding access.

In practice, the IAs have been assisting all four Project cities that developed 'simplified' climate action plans at the outset of Phase 2 to develop new plans, based on more thorough assessments, under the 'comprehensive' methodology. Those plans are expected to be forthcoming before the end of the present Phase 2. Under this arrangement, the 'simplified' CRCAPs represent merely an interim step in the development of 'comprehensive' plans. Even while this is the arrangement for Project cities, the description of the 'simplified' methodology on the Project website advises that, "at the end of each planning cycle (3 years), the city chooses either to continue to use the simplified CRCAP methodology or transition to… the comprehensive CRCAP methodology".

Thirdly, we note that, per ***Box 3***, the climate action plans currently under development in all eight Project cities actually follow a 'comprehensive' CRCAP methodology that has been slightly modified from its original form. The updated methodology takes the GoI's new 'net zero by 2070' target and applies it in the Project cities using a 2070 planning horizon. While the IAs have informally provided some information on this modified methodology (see footnote 34), neither the modified spreadsheets nor any full plans that apply this methodology have been available for review; therefore, the reviewers are unable to comment on its efficacy.

Finally, as to the question whether the CRCAP methodology "could be improved": the reviewers consider that most such methodologies should be regarded as works in progress and thus subject to improvement. Such methodologies can be approved in at least two ways. Firstly, in the case of an approach like CRCAP that was developed internationally, improvement could take the form of tailoring it to fit more closely to local conditions. For example, the comprehensive methodology includes a 'country profile' tool (Tool 2.1). In the case of India, perhaps an additional 'state profile tool' would be useful, to promote strengthened multilevel climate governance. Secondly, comparative review of planning methodologies is also helpful. For example, as part of its climate action planning toolkit, C40 offers a suite of tools on "how to embed equity and inclusivity in climate action planning"; this theme is not strongly developed in the CRCAP methodology. Space does not allow for a thorough review of the CRCAP methodology at present; nor is its full suite of tools available for review (see below). Making the methodology available for peer review from both national and international perspectives most likely would lead to a strengthened approach.

(*4b*) Have the climate action plans been incorporated in the city's planning and decision-making process for mitigation and adaptation?[35]

This question addresses what the CapaCITIES 2 Project Document calls "the primary focus" of the Project: "To… enable integration of climate considerations in every-day urban planning decision-making and implementation". The aim of such integration is to institutionalize pro-climate practices so that they will outlast the end of the Project and extend to other ULBs.

Firstly, we can mention that, as noted above, the Municipal Corporations of ***Rajkot***, ***Udaipur*** and ***Coimbatore*** have begun to allocate resources to climate actions in their annual budgets – a positive development. At the same time, more thoroughly embedding such considerations in the annual budget cycle would require changes at the national and state levels in relevant regulations and guidelines. A recent experience in ***Udaipur*** makes

[35] As noted, the following discussion focuses on the city level. For a review of "institutionalizing tools, learnings, actions at the *state* and *national* levels", see Response to the following Effectiveness Question (No. 5).

this clear. In that project city, the MC actually included a subheading entitled 'climate resilient city action plan' in its 2020-2021 budget; however, this practice was not continued in subsequent annual budgets as officials reverted to the official budgeting format. Truly institutionalizing such a change would entail an update to the nationwide Municipal Accounts Manual (under the stewardship of MoHUA and Office of Controller and Auditor General), which would then be reflected at the state level.

Similarly, institutionalizing climate action planning at the local level, with plans periodically updated at specified intervals, would entail changes in the enabling framework at the national and state levels. The Project Document explicitly provided for this, at least at the state level:

> In order that the CRCAP is effectively adopted in urban development processes, targeted efforts will be made to anchor the CRCAP in the Urban Development Departments at the State level. Engagement with the Town and Country Planning Department at the State level will also be initiated in order to encourage and support the inclusion of climate considerations in planning & development guidelines.

This is reflected in Output 1.3, "Institutionalisation of the urban climate action planning process at the state level", in the Project logframe. Per a recent status report this state-level work is ongoing (see discussion above).

Another area of possible institutionalization of climate considerations into local level planning processes would involve engagement of the Project with Urban Development Authorities (UDAs) and a related type of entity, Urban Improvement Trusts (UITs). These entities are responsible for local level land use planning, not only in rural areas but also often within the boundaries of municipal corporations[36]. Some Project outputs (e.g., map-based vulnerability assessments) would certainly be relevant for certain UDA plans. However, such engagement is not clearly provided for in the CapaCITIES 2 Project Document. While the ProDoc generally indicates that "there is a need for intensive and regular engagement at the city level for effective adoption and integration of climate action in urban development processes", UDAs and UITs are not explicitly noted in the "landscape of public sector target groups" that the Project should target. Moreover, IAs rightly point out the challenges of influencing, e.g., UDA-led master plans, which are developed on a twenty-year cycle, unless those cycles happen to coincide with CRCAP planning processes. As a result, while UDAs and UITs have been lightly involved as "stakeholders" in CRCAP planning processes (e.g., the MC in ***Tiruchirappalli*** approved a 27-member "stakeholder team" that included, among others, the Trichy District Town and Country Planning Office), little impact of CRCAPs on UDA-produced master plans can be expected – nor have the reviewers detected such.

(*5*) Has the project been effective in institutionalizing tools, learnings, actions at the state & national level[37]?

'Institutionalizing' tools and learnings – getting them incorporated into regulations or accepted as standard practice – takes time and effort. Such impacts may well result only after a project has ended. At the *state* level, in ***Tamil Nadu*** the CapaCITIES Project can report some success to date in institutionalizing tools and learnings. Drawing on the Project's 'Basket of Solutions" (BoS) tool, the IAs helped ***Tamil Nadu*** develop its "Urban Livability Framework" (TNULF). This Framework is now live at About Us - Swachh TN Portal Swachh Bharat Mission Urban, with a link for municipalities to upload information; it is thus 'institutionalized'. Review shows that, while the parameters used in the TNULF are much more detailed than those in the BoS, some 30 out of the 38 BoS parameters can be said to be reflected in the TNULF. State officials explicitly acknowledge the CapaCITIES 2 contribution to this Framework[38].

[36] Per the IAs, among the eight Project cities Udaipur is an exception here. See "Institutional Framework for Services in Selected [CapaCITIES] Cities", provided by the CapaCITIES 2 IAs, April 2023; available upon request.

[37] 'Instititutionalizing' tools can be considered to be the most advanced form of 'dissemination and outreach', as under this arrangement Project-developed tools have been so taken up and accepted by others that they are made mandatory or represent standard practice. For 'dissemination and outreach', see Effectiveness Question No. 7, below. For institutionalizing approaches (primarily to climate action planning) at the *local* level, see Effectiveness Question No. 4, above.

[38] See Memo from Thiru. P. Ponniah, IAS, Director of Municipal Administration GoTN, to the Additional Chief Secretary to Government, Municipal Administration and Water Supply Department, May 2023.

An additional promising development is at an advanced stage in Tamil Nadu. The Project team provided input into the Disbursement Linked Incentives (DLIs) of the Tamil Nadu Urban Development Program currently under development[39]. Under one DLI, the 30 participating Urban Local Bodies would need to prepare "city climate action plan[s]". Moreover, in April 2023 the World Bank invited ICLEI SA (a CapaCITIES IA) to begin to build the capacity of those ULBs on developing such plans – a strong (albeit informal) encouragement to those bodies to use the CRCAP methodology.

At the *national* level, as noted above the Project provided extensive support to the GoI in developing and testing its Climate Smart Cities Assessment Framework (CSCAF) 2.0. This framework is being rolled out to increasing numbers of cities and is cited in the GoI's new (Nov 2022) *Long-Term Low-Emission Development Strategy*; it is thus 'institutionalized'. More recently, also as noted above, the recent appointment of the ICLEI SA Executive Director to the committee charged with updating the national Urban & Regional Plan Formulation Guidelines represents a promising route to embedding Project learnings and approaches in those Guidelines.

In the reviewers' opinion, while the Project should certainly disseminate and offer training in the CRCAP methodology, it should not seek to have it *institutionalized* per se as 'the' preferred approach to city-level climate action planning in India. While the methodology in its 'comprehensive' version conforms well with international guidelines as discussed above, it is only one of a range of different planning approaches, developed by different organizations, that do so. Therefore, it would be a mistake for the GoI to privilege a particular approach or tool such as CRCAP. This opinion is congruent with IA "advice to the GoI", that "not one specific methodology should be proposed for use – each city should be free to choose a methodology".

(*6*) Was the project able to effectively adapt its strategies keeping in view the changing external policy and implementation environment?

The review team considered project management responses to two such changes to the implementation environment during the Project's period of performance: (1) the lockdown response to the Covid-19 pandemic beginning in March 2020, and (2) the new or updated climate policies that the GoI announced in 2022.

Covid-19 lockdown. The first big impact to implementation of the CapaCITIES 2 Project began around 24 March 2020. On that date, the Government of India declared the then rapidly-spreading Covid-19 pandemic to be a "disaster" per the Natural Disaster Management Act. This quickly led to a lockdown. At this remove, the review team does not consider itself to be well positioned to assess the effectiveness or wisdom of the CapaCITIES 2 Project response to those developments. Local officials interviewed seemed to echo what was reported in the 3 July 2020 meeting of the CapaCITIES 2 Project Steering Committee, that "On-the-ground support provided to the cities during COVID-19 was much appreciated". Not surprisingly, given the nature of that emergency, some of the support provided to cities during that period (e.g., mapping the location of Covid victims in ***Ahmedabad***) addressed immediate urgent requirements rather than formal Project goals. This circumstance seems understandable given the magnitude of the emergency. During this same July 2020 meeting, the Steering Committee appropriately directed the IAs to "revisit the 2020 budget and work plan due to [the] Covid-19 situation". The review team believes that the no-cost extension of CapaCITIES 2, requested by the IAs and granted by SDC to address the impacts of the Covid lock-down on Project implementation, was an appropriate 'adaptation' to this unexpected and significant development.

New GoI climate policies in 2022. In 2022, the GoI updated its *Nationally Determined Contribution* (NDC) under the Paris Agreement (in August), and then released a *Long-Term Low-Emission Development Strategy* (in November). This latter *Strategy* reaffirms, inter alia, a commitment to achieve net-zero emissions by 2070. The IAs report that they are responding to these developments (and particularly the latter) by adjusting their 'comprehensive' CRCAP methodology and helping all eight cities to develop climate action plans that reflect

[39] See Concept Stage Program Information Document (PID) - Tamil Nadu Climate Resilient Urban Development Program - P179189 (worldbank.org).

this 'net zero by 2070' target. This is indeed a response to changes in the policy environment. The reviewers, however, believe that a more considered response would have involved a reflection on and discussion of the implications of the new policies in the context of the Project Steering Committee prior to taking action. For example, the updated NDC includes several updated emissions-related targets for 2030; how if at all should they be addressed? The new Long-term Strategy sets forth seven "low-carbon development pathways", including several that touch the urban sphere; should they be reflected more explicitly in how actions are prioritized and presented in city climate action plans? Will cities need to reach the net-zero target before or at the same time as the rest of the economy? Will small cities need to respond on the same timeline as megacities? Thorough responses to certain of these questions might well involve modelling that lies outside the IAs' present scope of services (see ***Box 5*** for a similar situation faced by C40). At the same time, at least some of these questions could have been taken up by the PSC with a limited amount of supporting analysis.

Box 5. C40 cities determine their 'fair share' in reaching Paris targets & plan accordingly

In 2016-2017, C40 Cities Climate Leadership Group assessed the implications of the newly released (2015) Paris Climate Agreement and its aspirational target of "limiting temperature rise to 1.5 degrees above pre-industrial levels". Their *Deadline 2020* report sought firstly to identify "C40 cities' share of the remaining global carbon budgets to 2100". It then sought to establish "target emission trajectories for… individual member cities that enable these budgets to be met". This modeling led to a strong recommendation to participating cities that they take ambitious action *as soon as possible*. Since then, such modeling has informed ambitious climate action planning in C40 cities. (See https://www.c40.org/wp-content/uploads/2021/07/Deadline_2020.pdf)

(*7*) Has the project undertaken effective dissemination and outreach[40]?

Perhaps the easiest way to disseminate tools and learnings to the public is via the CapaCITIES Project website (https://www.capacitiesindia.org). This could be better used to disseminate tools and learnings. For Outcome 1, both the overall 'simplified' and 'comprehensive' Phase 1 methodologies are available, which is positive. However, while CRCAP Tools Nos. 1.1 to 4.3b are available, Tools No. 5.1 to 9.3 are unfortunately pending. Outcome 2 tools are even less available. Under 'Climate Resilient Infrastructure', the Project website only offers a series of descriptions of city-specific 'quick win' and 'bankable' projects – it does not provide the more generally applicable tools that have been developed under Outcome 2.

The *national* scale is an important level for both dissemination and outreach. Here dissemination occurs primarily via NIUA. This is the appropriate national-level channel, particularly since the Institute is positioning itself as a knowledge hub and is actively promoting a collaborative, network approach (including with key training institutes) to promoting sustainable urban development. The Project team disseminated knowledge at the NIUA Pavilion at a 'Smart Cities, Smart Urbanization' event organized by MoHUA in April 2022.

The NIUA website could be used more thoroughly to disseminate Project tools and learnings. At present, only five CapaCITIES-branded knowledge products come up at the NIUA website under 'Publications' (https://niua.in/publication) – the 'comprehensive' and 'simplified' CRCAP methodologies, plus three 'thematic

[40] For present purposes 'dissemination and outreach', addressed here, is considered to be distinct from 'capacity-building', addressed under Sustainability Question 2, below. Dissemination and outreach generally represents a lighter form of engagement with external stakeholders or others than does capacity-building.

briefs'[41]. At the NIUA-hosted *Climate Centre for Cities (C-Cube)* knowledge platform, a part of the NIUA website (https://niua.in/climate-centre-cities), only the two CRCAP methodologies appear. On both webpages, even when the overall CRCAP process models are made available, the essential set of tools that supports the steps in those processes are not. Nor does either site seem to include any 'Output 2' knowledge products. In additional to such postings, the current effort by the team to package key tools and learnings in digestible 'capsules' per NIUA's request may well prove to be an effective route to further dissemination. IAs should also seriously consider any additional NIUA guidance on packaging tools and learnings for dissemination, e.g., via the *National Urban Learning Platform* that NIUA anchors (https://nulp.niua.org).

At the *State* level, the embedding of Project staff in ***Chennai*** and ***Gandhinagar*** offers an excellent conduit for dissemination and outreach. The CapaCITIES-organized Best Practices Workshop, held in Chennai in April 2022, offered a forum for dissemination, outreach and capacity-building. It attracted officials not only from the eight Project cities but also from state-level departments in Tamil Nadu, as well as a limited number of other cities participating in the Smart Cities mission. Additional state-level events would be useful to disseminate findings and tools at that level, as indeed the IAs report planning to undertake before the end of the Project. *Globally and regionally*, the Project's engagement has been fully adequate, with reporting to the CDP/ICLEI Platform and presentations at several relevant global and regional fora.

(*8*) Are there any recommendations so as to increase the effectiveness until the end of the project?

(For such recommendations, see Chapter 3, below.)

Overall conclusions regarding Project effectiveness: The Project has partly achieved its Outputs and Outcomes. With concerted effort, virtually all Outputs and Outcomes look achievable by the end of the Project.

2.3 Efficiency

The OECD (2018) describes the "***efficiency***" criterion as "How well are resources being used?" "The extent to which the intervention delivers, or is likely to deliver, results in an economic and timely way." It "looks at **inputs** relative to… **outputs**, **outcomes** and **impacts**". Inputs here include Project resources used for salaries, travel, etc., as well as direct support to city-level projects ('sub-projects'). While noting that the present review is not intended to be an external audit of the CapaCITIES 2 Project, we respond to 'efficiency' questions as follows:

(*1*) Is the use of SDC funds allocated for CapaCITIES project utilized efficiently?

We explore three aspects of efficiency in the use of SDC resources, beginning with a basic question but then examining the city-level projects targeted for in-depth support, as follows:

Were resources used as intended? In general, the IAs appear to have spent resources per the budget to produce outputs and work towards outcomes per the Project's Logframe. As noted above, some deviations from this arrangement occurred during the Covid-19 pandemic beginning in March 2020, but such changes were appropriately cleared by the Project Steering Committee and were responsive to that emergency.

Were city-level projects developed in an efficient manner? One aspect of this question has to do with the deployment of national versus international experts to produce outputs. Here the general rule is to use national consultants as much as possible, both for reasons of efficiency (e.g., for lower travel costs) as well as, at times, to build in-country capacity. International consultants should be fielded sparingly, e.g., where they can provide specialized expertise that is difficult to find in-country. While it is hard to make definitive statements about such, the IAs did avail themselves of local expertise. For example, to develop two city-level sub-projects

[41] Here we consider capacity building and decision support tools beyond the city climate action plans per se.

in ***Coimbatore*** (waste-to-CNG, floating solar) and one in ***Udaipur*** (Green Mobility Zone), the IAs hired a national consulting firm and paid it the equivalent of CHF 18,131, 31,183 and 19,971, respectively, for the three sub-projects. Here, international engagement was limited to backstopping. South Pole did assign international experts where needed for niche work, e.g., on plastic or carbon credits in ***Gujarat*** – but counterparts have all expressed appreciation for such specialized assistance. Moreover, South Pole advises that, where possible, international experts provided backstopping remotely – a further savings in travel-related expenses.

Otherwise regarding city-level project development: one interviewee noted that the screening process used to select a project for in-depth support under Outcome 2 was "complicated", while another described the process followed to develop those projects, from concept note to bankable project report, as "very elaborate". This may suggest, anecdotally, that such processes could have been simplified, e.g., by using fewer selection criteria or shorter concept notes in decision-making support. This would have reduced the costs of those activities, with some gains in terms of efficiency of delivery.

Were grant resources leveraged? To increase efficiency, Outcome 2 of the Project incorporated the key concept of 'leveraging': funds were not to be just disbursed as grants, but rather were used to mobilize additional resources; this increased their productivity, or efficiency. The resources thus leveraged could come from either municipal budgets, or else (preferably) from other public sources or the private sector[42]. As noted above, to date participating MCs have indeed committed budgetary resources to implement climate projects, while substantial investment from other (non-municipal) public and private sources is in the pipeline (see above).

Grantors can also be said to deploy grant resources efficiently when such funds are used to "demonstrate" unfamiliar new technologies that later lead to substantial investment by public or private economic actors. By this measure, some of the 'quick win' projects supported by the Project (up to a ceiling of roughly INR 7.5 million or CHF 82,500 per city in Phase 2) represent an efficient allocation of resources. For example, 'quick win' grant resources invested in 1.5 TPD biogas plant in ***Coimbatore*** are helping to encourage that city to make substantial investment in an upscaled 200 TPD bio-CNG plant. The Project is further supporting that latter effort through a feasibility study; the resulting public-private partnership planned would further crowd in private resources to this investment.

(*2*) Have the overall project steering and management been efficient[43]?

The Final Review of the previous phase (Phase 1) of the Project included several recommendations that sought to improve project steering and management[44]. This suggests that effective management was a work in progress during the previous phase. However, the review team did not detect any major concerns in this area during its evaluation of the Phase 2 Project. The Project featured two main mechanisms for project steering and management, discussed as follows:

The structure of the **Project Management Team** is unorthodox in that, per the CapaCITIES 2 Project Document (p. 64), it has two "Co-team Leaders", one with ICLEI South Asia and one with South Pole. A single team leader is a more accepted arrangement for efficient, effective project implementation; a shared leadership arrangement can run into trouble if the two co-leads develop divergent visions on project aims or do not coordinate well on implementation. However, during its field visit the review team did not note difficulties in this area; on the contrary, effective coordination seems to have been the rule.

[42] Note the Key Indicator for Output 2.2 in the Project logframe: "Financing secured from other sources (beyond municipal budgets) for implementation of co-financed projects"; to be verified through "co-financing agreements".
[43] The present response focuses on the Project's Management Team and Steering Committee. For other dimensions of project management and engagement with partners, see response to Effectiveness Question No. 3, above.
[44] Examples: "Encourage coordination meetings between Swiss experts". "Recommend stronger joint decision-making between Indian and Swiss experts on [various topics] for better coordination of the Indo-Swiss partnership". "Consider adapting the contractual issues to assure good cooperation between all actors, i.e., put all subcontractors on equal footage with the same 'line of command' to avoid sidelining". See Final Report, "Review CapaCITIES Project, Phase 1", pp. 3-4.

The **Project Steering Committee (PSC)**, chaired by the Head of SDC India and including the two co-team leaders of the IAs, seemed to function as intended in the CapaCITIES 2 Project Document. It has been meeting formally two times per year, as planned, with an appropriate shift to virtual meetings during the height of the Covid-19 pandemic. Such meetings are an appropriate forum to deliberate on major considerations as to the Project's strategic direction, with decisions duly minuted. As noted above, minutes of the most recent (March 2023) PSC meeting did not include any discussion of the proposed Project response to the GoI's new and updated climate policies of 2022; such developments could well have been taken up by the PSC. Otherwise, outside of the PSC, SDC has constructively engaged with the Project in various ways, including visits to Project cities, interventions at training events, and formal SDC sign-off of city-level projects identified for in-depth support.

Overall conclusions regarding Project efficiency: Project implementation generally seems to have been efficient. Streamlining certain internal procedures to yield further efficiencies may be worth exploring.

2.4 Impacts

Per OECD guidelines, under this criterion we consider "higher-level effects", including "longer term [and] enduring changes in systems or norms". These are less immediate and longer-term than the "closely attributable results" considered earlier under "effectiveness" (OECD, 2018).

(*1*) Has the project managed to bring positive, sustainable and expected impacts on low emission development and climate resilience related policies and processes at the relevant level (national, state and city)?

City-level impacts. IAs report that the CapaCITIES 2 Project has helped the four cities that have been participating from Phase 1 reduce their total annual GHG emissions. A March 2023 status report indicates reductions in annual emissions from a 2015-2016 baseline of 33 per cent in ***Coimbatore***, 14 per cent in ***Rajkot***, 15 per cent in ***Siliguri***, and 18 per cent in ***Udaipur***[45]. Impacts are less well documented in terms of the adaptation of people or urban systems to climate change – but, globally, systems and indicators to monitor such adaptation achievements are less well developed or standardized than are mitigation measures.

State and national-level impacts. As noted above, at the *state* level the Project has institutionalized most of its 'Basket of Solutions' structure in Tamil Nadu's Urban Livability Framework, and has made strides in embedding city climate action planning in the Disbursement Linked Incentives of an urban World Bank loan in that state. Also as noted above, further state-level impacts per the Logframe are pending. At the *national* level, the Project made a substantive contribution to the Climate Smart Cities Assessment Framework 2.0, embedded in governmental policies and review processes. The Project may achieve further such impacts in the near future.

(*2*) Are there any unexpected impacts?

The CapaCITIES 2 Project Document and Logframe do not discuss or anticipate "transformative change" in participating cities – and it is admittedly challenging to frame an indicator to properly capture this – but such is worth considering as an "unexpected impact". Consideration of "transformative change" has been increasing in the climate change literature over the past decade. It can be described as "a change in the fundamental attributes of a system" (UNDP). As applied to adaptation, it can involve "a strategy that aims to reduce the root causes of vulnerability to climate change in the long term"[46]. On the mitigation side, any pathway that would lead to net zero carbon emissions would, almost by definition, involve transformational change. Embracing truly transformative (as opposed to incremental) change entails strong and sustained leadership from the top.

[45] As reported by the IAs. Independently verifying such reported results lies outside the scope of this review.
[46]Italics added. For discussion, see https://www.conservation.org/docs/default-source/publication-pdfs/transformative-adaptation-to-climate-change-for-sustainable-social-ecological-systems.pdf?Status=Master&sfvrsn=85c733c1_3.

While hard to quantify and measure, the review team detected some evidence of "transformative change" in the most advanced of the Project cities. Examples:

- In ***Udaipur***, the City's determination to proceed (with Project support) with establishing a "Green Mobility Zone", even despite hiccups while implementing an earlier pilot, betokens fundamental change from business-as-usual. The GMZ initiative would involve the coordinated action of several different corporation departments, not to mention other actors; it would also require significant community outreach and an effective information campaign. While its benefits could be far-reaching, the possible downsides of a poorly planned and executed plan could be substantial. As such, this initiative is a far cry from more basic climate 'baby steps' such as replacing conventional light bulbs with LED lighting, and as such can be considered as 'transformative'.

- In ***Coimbatore***, the magnitude of the scale-up in waste-to-energy from a 1.5 TPD pilot biogas plant to a 200 TPD plant, and the even more ambitious climate plans under discussion in the city, signal that transformative thinking has taken hold.

- In ***Rajkot***, the budgetary resources that the MC has allocated in recent years to climate action (with associated monitoring system), as well as the scale-up in investments from initial demonstration activities, betokens a change in mindset.

Other such examples of transformative thinking, e.g., approval of climate plans that include clear roadmaps towards net zero emissions targets, or large-scale projects, may well emerge in the Project's final months.

The review team also considered whether Project grants or assistance in accessing grants or concessional loans was dampening efforts by cities to generate local revenues or seek market-rate credits from the capital market. At scale, such an "unexpected impact" would inhibit market development and be counterproductive. The reviewers found no evidence of such. On the contrary, of the two creditworthy Project cities, ***Vadodara*** issued municipal bonds during the Project period (in March 2022), while ***Ahmedabad*** issued bonds during the final months of CapaCITIES Phase 1 (in January 2019) and has expressed interest in issuing more[47].

Overall assessment of Project impacts: The Project has begun to achieve more far-reaching impacts, and there is potential for more such high-level effects in the near future.

2.5 Sustainability

'Sustainability' can be summed up in a simple question: "Will the benefits last?" (OECD, 2018).

(*1*) Do the current results, interventions, tools, capacity building instruments, etc. have the potential to be sustained, upscaled and replicated? What are the accelerating or limiting factors?

This question was partly answered above, in the response to Effectiveness Question 5 which examined the "institutionalization" of tools and learnings. The present Question offers the chance to reflect more deeply on the factors that could accelerate or hinder the future upscaling or replication of key Project tools and instruments, prior to framing pertinent recommendations in Chapters 3 and 4, below.

Accelerating factors. Factors in the enabling environment that increase the likelihood that tools and capacity-building instruments increasingly will be upscaled and replicated include the following:

[47] See https://indianexpress.com/article/cities/baroda/vadodara-municipal-corporation-raises-100-cr-through-municipal-bond-7835305/ and https://timesofindia.indiatimes.com/city/ahmedabad/ahmedabad-aims-to-issue-green-bonds/articleshow/93283766.cms.

- ✓ *An increasingly favorable Government of India policy framework*. As noted above, in 2022 the GoI released an updated NDC and a *Long-Term Low-Emission Development Strategy*. These policies offer multiple possible entry points for both mitigation and adaptation action in cities.
- ✓ *An active national counterpart that favors climate action in cities.* As noted above, NIUA has actively supported the Project. The Institute is increasingly playing the role of a knowledge platform and hub of training institutions in the area of sustainable urban development, including climate planning.

Limiting factors. Factors that could limit future replication and uptake include the following:

- ✓ *Lack of a statutory basis for climate action planning and spending at the local government level*. As noted above, without such mandates local officials may well forego periodic planning for climate action, or neglect to allocate resources for such actions in their budgets. Climate actions also may be cut short if and when local officials who are climate champions are replaced or move on.
- ✓ *Complex, even fragmented institutional framework for planning and development at local level*. The fact that the functions of land use planning and coordinating infrastructure development fall to an Urban Development Authority that is distinct from the Municipal Corporation complicates efforts to promote local level climate action planning.
- ✓ *Limited direct Project linkage to key state-level capacity-building and training institutes*. IAs have engaged to some extent with training institutions via NIUA networks. They have also engaged directly with a limited number of state training institutes (e.g., Tamil Nadu Institute of Urban Studies) on certain ad hoc efforts; such is all to the good. At the same time, more direct, MOU-supported linkages to one or two more such institutions, e.g., one in Tamil Nadu and one in Gujarat, would offer an additional vector for placing Project capacity-building materials in the hands of educators.
- ✓ *Little direct linkage of participating cities to local sources of scientific knowledge about climate change*. The ability of cities to access local knowledge and expertise, including via local institutes of research and higher learning such as universities, is important. This is particularly the case in the fight against climate change, wherein the scientific body of evidence that underpins action is rapidly evolving and where global and regional climate models need to be downscaled to understand local impacts. To address this circumstance, some cities elsewhere with local universities have actively established standing scientific committees as a way to tap into and develop local climate knowledge (e.g., see ***Box 6***). Such relationships can and should outlast time-constrained donor-driven initiatives and projects. To date, the IAs have subcontracted with certain local academic institutions to provide CapaCITIES Project inputs, e.g., support from Anna University in Chennai to ongoing solid waste management activities in ***Tirunelveli***. Building on such relationships, the IAs could now step back and encourage the participating Municipal Corporations build relationships *directly* with local institutions of higher learning, supported by MOUs as appropriate, to help inform ongoing climate action.

Box 6. Building links with local climate researchers and scientists: Quito, Ecuador

In 2010, early in its evolving effort to address climate change, the Municipality of Quito, Ecuador established a "Panel on Climate Change". Its aim was to commission scientific studies by leading Ecuadorian experts and scientists to better understand the impacts of climate change on the city. The Panel was set up in acknowledgement of the importance of incorporating scientific expertise into decision making on climate action. Source: https://unhabitat.org/guiding-principles-for-city-climate-action-planning	

Current status of Project tools and capacity-building instruments. Aside from the above-mentioned factors in the external enabling environment that limit uptake of Project materials, we also note that, at present, one finds the tools and capacity-building instruments in the Project's toolkit to be at an uneven state of development. On the one hand, some of the 'Outcome 2' capacity-building modules (e.g., Module 2: "Designing 'bankable' climate resilient infrastructure projects') appear to be finalized. They feature practical 'how-to' guidance helpfully fleshed out and illustrated by mini-case studies drawn from city-level Project experiences. On the other hand, the team could locate only introductory, not in-depth, capacity-building materials for the CRCAP methodology and associated tools that form the heart of 'Outcome 1'. Even when such materials appear finalized, as noted above they are not always completely available via websites. At the same time, at present the IAs are responding to the NIUA's request to repackage such materials as easy-to-digest 'capsules' that include video clips, per that Institute's vision of how to replicate. More fundamentally, defining an updated list of the core (i.e., limited number of) tools and capacity-building instruments that the Project wishes to refine and bequeath to partners and counterparts at Project close appears in order (see below).

(*2*) Are the responsible authorities capacitated? That is, do they dispose of the needed processes and guidance in order to continue the implementation of climate actions?

Throughout its period of implementation, CapaCITIES 2 has carried out extensive capacity-building, both through formal training sessions as well as via hands-on training. Formal capacity building has taken place at both the national (e.g., National Best Practices Workshop in Chennai, April 2022) and the city levels. However, to date the CapaCITIES Project has collected little data upon which the present reviewers can construct an evidence-based response to this question. Please note the following:

An overall tool to assess the level of capacity of participating municipal officials vis a vis climate action planning seems to exist: it is Tool 6.1 ("City Staff Training Needs Assessment") in the 'comprehensive' CRCAP methodology. Unfortunately, in practice it does not appear to have ever been actually applied under the CapaCITIES Project; nor is it available for review on the CapaCITIES website[48].

Following trainings provided to date, the Project has not conducted any surveys of participant satisfaction. Nor have participants been given a chance to qualify for test-based certificates following completion of courses, as is the case for offerings at NIUA's National Urban Learning Platform (https://nulp.niua.org/).

In the absence of such evidence, the reviews can only report anecdotally that virtually all of the officials interviewed appeared to have at least a basic grasp of some of the key concepts and terminology of global warming and climate action planning; this is all to the good. For Recommendations that address building capacity, applying the CRCAP Tool 6.1, and gathering other evidence relevant to the present question during the final months of the Project, see below.

(*3*) Are there any recommendations so as to increase the sustainability of the project until the end date, i.e., June 2024, or beyond?

(For Recommendations on such, see Chapter 3 and 4, below.)

Overall conclusions regarding Project sustainability: Core Project learnings and tools have the potential to yield enduring impact. Embedding climate action planning into national- and state-level regulations and guidelines represents a pending key challenge to achieving such. For recommendations to this and related ends, see below.

[48] IAs advise (June 2023): "Such an assessment will be completed before the next 'best practices' workshop and will be shared with C-Cube and GCoM", both for their information as well as to help them plan future trainings.

3. Recommendations for the Project between now & end of the Project

Building on the previous findings, the reviewers offer the following recommendations as a way for the project team to maximize positive results by the end of the present Phase 2[49]:

At this point in the implementation cycle, the IAs should: *(1) Focus implementation energies on completing Outputs and achieving Outcomes per the Project's Logical Framework.* Generally the team should work to consolidate the existing suite of capacity-building tools, rather than trying to develop new tools. They should focus on pending activities at the local, state and national levels, but *not* at the international level; international engagement is relatively expensive and has been quite adequately covered to date. Another meeting of the Project Advisory Group as currently constituted does not look like a good investment of scarce energies.

To better focus finite resources during the remaining months, the IAs should firstly: *(2) Develop and then execute a Project Close-out / Sustainability Plan*[50]. Broadly speaking, developing such a Plan offers SDC and the IAs a chance to reflect on the 'end-of-project vision' as articulated on pp. 61-62 of the original CapaCITIES 2 Project Document. But more practically, this Plan (with timeline) should identify pending items from the CapaCITIES Logical Framework, and then assemble and sequence corresponding activities into a coherent close-out package. It should thus guide (at least at a high level) the work of the three IAs at the national, state and local levels, with knock-on modifications to local-level work plans as needed. At the same time, the process of developing the Plan would offer the IAs a chance to formally request any needed modifications to the logframe, as may well be appropriate for a multi-year project operating in an evolving environment. To such ends, the SDC should formally review and approve the Close-out/Sustainability Plan.

The Close-out / Sustainability Plan should address all three Outcome areas. At the same time, where possible it should work *across* Outcome area, e.g., in:

- ✓ Identifying the 'definitive' shortlist of capacity-building and decision support tools that will represent one of the Project's chief legacies. This set could include some or all of the suite of tools that support the overall CRCAP methodology[51].
- ✓ Agreeing on common formatting, branding & packaging of those materials, noting NIUA requirements.
- ✓ Articulating how best to build capacity using those tools. At the *national* level, this might include co-organizing (with NIUA and its networks) a 'training of trainers' for selected training institutions, and/or a 'best practices' workshop and a closure workshop (per logframe). At the *state* and *local* levels, this could entail directly involving one or two training institutions in providing close-out capacity-building (per logframe). For all remaining capacity-building events, survey participants immediately after such sessions to gauge participant satisfaction with the training provided.
- ✓ Planning how best to disseminate tools and learnings, in both soft and hardcopy.
- ✓ Incorporating planning and 'access to finance' considerations as possible into state and national-level guidelines (per logframe; see further discussion below).
- ✓ Devising a "strategy for accessing data after the project period"[52], and so on.

At the same time, we offer some recommendations for individual Outcome areas, as follows:

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[49] Note that, while SDC has granted a no-cost extension through June 2024, the IAs advise that remaining budget is only sufficient for the Project to remain active on the ground through around December 2023, with only limited close-out activities occurring thereafter.

[50] This is consistent with a recommendation from the earlier review of the Phase 1 Project: "Make sure that the phasing-out of the project (when it happens) is carefully done".

[51] For example, the NIUA Director specifically mentioned the need of local governments for practical guidance on how to form cross-departmental working groups to take climate action. CRCAP Tool 1.2 ("Climate Core Team") could form the basis for more India-specific guidance on this topic.

[52] This is necessary, "as the CapaCITIES website won't be operational post project period". Minutes, CapaCITIES 2 Project Steering Committee, 3 July 2020.

Outcome area 1 (planning for climate action). As noted above, IAs have advised that the end-of-project aim is for all eight Project cities to develop and approve updated climate action plans using a revised version of the 'comprehensive' CRCAP methodology. Bearing this target in mind, we offer the following recommendations.

As part of – or, preferably, prior to – strengthening the forthcoming batch of climate action plans, the IAs should: *(3) Help Project cities complete pending sub-steps of the CRCAP methodology*[53]. Depending on the city, this might include: (i) assessing current staff training needs (Step 6.1), (ii) more thoroughly documenting MC budgetary investment in climate action (Step 6.2), and (iii) reflecting with stakeholders on the strengths and limitations of the existing plan (Step 8.2). This would be a useful input to the forthcoming plans.

(4) Strengthen the forthcoming final batch of climate action plans in the eight project cities. Based on a review of existing plans, following participatory processes the new plans should:

- ✓ Explicitly prioritize certain adaptation actions in those wards identified as the most vulnerable.
- ✓ Work with local stakeholders to develop a pro-poor jobs and livelihoods dimension to at least some of the planned actions, making such explicit in the description of the actions.
- ✓ Quantify expected adaptation benefits from at least some of the prioritized actions, with corresponding indicators in the plans' monitoring frameworks.
- ✓ Include not only 'hard' measures such as bricks-and-mortar solutions, but also, as appropriate, 'soft' measures (e.g., policy reform, information campaigns, capacity building, institutional relationships).
- ✓ Include 'transformative' actions as possible, defined per above.
- ✓ Explicitly reference and demonstrate cross-linkages where possible to state-level climate action plans.
- ✓ In Ahmedabad, continue to work with C40 with the aim of helping that city finalize a climate action plan that meets both C40's and CapaCITIES's expectations.

(5) Undertake targeted dissemination, outreach and discussions around the final climate action plans and planning processes. At the *local* level, this could take the form of 'City Dialogues'[54]. At the *state* and *national* levels, SDC and the IAs should arrange for sharing the approved climate action plans (as well as the underlying methodology followed) with interested IFIs, particularly the ADB and the World Bank but potentially also AFD and KfW. Care should be taken so that presentations showcase only that subset of cities that are of particular interest to those financiers. This could help mobilize financing for certain planned climate actions. While ideally these presentations would feature *approved* plans, given the realities of the IFI programme development cycle it may be preferable to present advanced drafts of the city plans in a timely fashion, rather than wait till plans are fully finalized and miss the boat. At the same time, disseminate the CRCAP 'comprehensive' planning process, together with its full suite of tools, via both the Project and the NIUA websites.

(6) Encourage and support all Project cities to obtain the GCoM 'badges' for which they qualify. This practice, building on the example of several Project cities, would represent strengthened engagement with GCoM.

For more sustainable climate action planning, where possible: *(7) Help cities establish direct, ongoing relations with local researchers and academicians who could help generate and translate scientific knowledge about climate change to the local level.* This engagement could occur through participation in a standing scientific advisory body to those cities. Such relations could be supported by Memoranda of Understanding directly between MCs and academic institutions, not necessarily mediated by the IAs. Also, for greater sustainability: (*8*) *Encourage and support Project cities to convert their internal Climate Core Teams, and/or external Stakeholder Committees, set up for ad hoc project purposes, into standing coordination and advisory bodies*.

[53] The present finding is consistent with a Recommendation from the Final Review of CapaCITIES Phase 1: "Set up a monitoring mechanism not only for specific projects, but also for the full CRCAP, as foreseen in 'Step 6' of the ClimateResilientCities Methodology" (p. 3). IAs report that such a system, based on CRCAP Tool No. 6.2, has been established in Rajkot and could be replicated in the other cities.

[54] This recommendation is consistent with one found in the earlier review of the Phase 1 Project: "Make sure that the CRCAPs do not remain a document of the MCs only but are shared with other stakeholders. City Dialogues should ensure the ownership of the CRCAP with those external to the MCs such as urban planning authorities and state-level agencies…".

(9) Undertake a final round of capacity-building on the climate action planning process, at various levels. Local training in each Project city is favored so that capacity is built among as wide a range of local officials as possible[55]. Only a limited number of local officials may be able to attend state-level trainings, and even then they may feel intimated about actively engaging in front of state-level officials[56]. At the *state* level, the Project logframe calls for disseminating the climate action planning process at that level, as well as making related efforts to try to institutionalize such processes. *National*-level capacity-building may occur via the NIUA. At all levels, engage training institutions both as participants as well as, when possible, as co-providers of training.

Outcome area 2 (enhanced access to financing). For Outcome area 2, recommendations for the final months of CapaCITIES Phase 2 are more succinct and closely pegged to the logframe. We (*10*) recommend that the IAs:

- ✓ *Nudge along, as possible, co-financing agreements with public and private sector sources of finance*.
- ✓ *Finalize city-level bankable assessment reports, and procurement documents under development.*
- ✓ *Finalize state-level innovative financing reports under development.*
- ✓ In coordination with Outcome areas 1 & 3 efforts, *finalize sectoral toolkits and a training module on supporting cities to access carbon finance that are under development*. IAs should package such materials per an NIUA request for easy-to-digest capacity-building 'capsules'.
- ✓ Also in coordination with the other Outcome areas, *provide trainings and disseminations at city, state and national level using those materials*. At the *city* level, close-out trainings should not neglect important basic concepts, e.g., project financial and economic feasibility. They should also (per above) include ex post surveys of participant satisfaction. As part of capacity-building and dissemination at the *state* and *national* levels, the IAs should hold close-out debriefing meetings with relevant Missions to share toolkits, case studies and contractual models that feature a sectoral focus of interest to particular missions. *National*-level closeout should also include meetings not only with NIUA but also MoHUA, donors active in the field and interested IFIs, with the focus of meetings varied appropriately.

As part of the Project's final administrative/financial close-out in 2024, make arrangements to capture any last transactions that are finalized after the Project ends its on-the-ground activities. This is to document in the CapaCITIES 2 Project Final Report all resources leveraged, as far into the January-June 2024 period as possible.

Outcome area 3 (Enhanced knowledge). *(11) IAs should deliver pending Outcome 3 outputs in a holistic manner, in coordination with the other Outcome areas*. These deliverables include a closure workshop (Output 3.1 indicator) and national level dialogues (Output 3.2 indicator). *(12) The ICLEI SA Executive Director should continue to channel learnings and tools from the CapaCITIES 2 Project into the revised urban planning strategy, via the national-level committee of which he is currently a member*. At the same time, the Project should seek to support the National Institute of Disaster Management on incorporating climate change considerations (related to both adaptation and mitigation) into Urban and Regional Plan Formulation Guidelines.

Finally, *(13) The IAs should be invited, on an optional basis and in a timely manner, to contribute a short thought piece as an input to SDC's forthcoming new Guidance note on Climate, DRR and the Environment*. Among other topics, this short (4-5 page maximum) paper should offer reflect on SDC's niche (globally or regionally) in the area of helping cities address climate change. At the same time, SDC India may find some findings from the present review worth feeding into this strategic process as well. Along those lines, SDG India might: (1) suggest more carefully considering the optimal size range of local governments that SDC interventions target, bearing in mind the discussion under Effectiveness Question No. 2a, above; and (2) encouraging even more collaboration with the SDC thematic networks that address employment, income and gender, keeping in mind the discussion under Effectiveness Question No. 2b.

[55] This is in line with a recommendation from the final review of CapaCITIES Phase 1: "Make sure that the phasing-out of the project [pays particular attention to] … the know-how transfer in cities from project staff to city staff".
[56] Given the value of city-level training, the IAs may wish to reconsider what was reported in the most recent status report: "For Gujarat cities, the city-level training workshops will be conducted as part of the state-level workshop".

4. Recommendations for a potential new project beyond 2024

SDC requested the reviewers to "Provide ideas and recommendations for a potential future SDC supported project", presumably in the space of helping local governments address climate change and related environmental concerns. At this (incipient) stage of the project development cycle, the reviewers consider the most useful form that suggestions can take is, firstly, to lay out some of the major (nonexclusive) options for a new project in this space[57]. Then for each option we begin to discuss their advantages and challenges in the Indian context, while bearing in mind international best practices as well as SDC India's position in the institutional landscape and comparative advantages. We also suggest next steps in exploring the options.

In all cases, the reviewers would consider it advisable to retain the most advantageous features of the CapaCITIES 2 Project. These include: (i) supporting both climate action planning as well as project development and helping to arrange financing, (ii) balancing attention to adaptation and mitigation, (iii) funding quick-wins to engage MC interest up-front, and (iv) focusing primarily on the local level while undertaking complementary activities at the state and national level, with embedded staff. Such features (all of which reflect felt need and appear consistent with SDC comparative advantages) are compatible with the various options presented below.

That is not to say that certain Project approaches could not be improved or updated, including as follows. Firstly, before launching a new project in this space we recommend assessing the implications for cities of the GoI's relevant new policies of 2022: its updated NDC and its new *Long-Term Low-Emission Development Strategy*. Such an exercise could be commissioned jointly with C40 and/or other partners, with possibly separate sets of recommendations for C40 cities and non-C40 ULBs of various sizes. Secondly, before accepting a climate action planning methodology such as CRCAP, a transparent peer review of that approach (both process model and tools) from both national and international perspectives is recommended, with the approach strengthened as necessary. Among other benefits, such an exercise could contribute to the maturation of a community of practice in the area of climate action planning, and a constructive convergence of such methodologies in India. Thirdly, pro-poor jobs and livelihoods objectives should be built more strongly into project design. Such aims would then be reflected more explicitly in key project outputs – climate action plans as well as the concept notes, financing plans and requests for proposals required to select, formulate & implement city-level projects.

Mix-and-match options for future directions, with discussion, are as follows:

Option 1 – Continue to support cities participating in the CapaCITIES 2 Project, while adding new cities

SDC could continue to work with the current eight cities and two states and help them consolidate current accomplishments and achieve more transformative climate action. Support could be varied according to needs, with the four cities added in Phase 2 generally still requiring more sustained support than the cities from Phase 1, and with Phase 1 cities moving gradually into a mentoring and resource role vis-à-vis the other cities.

Both this option and the others (discussed below) could involve adding in a new set of municipal corporations or other types of ULBs. In selecting new local counterparts, the reviewers suggest, firstly, focusing on ULBs of less than roughly 2.5 or 3 million population. In particular, while retaining Ahmedabad, we suggest *not* adding in additional large or megacities that are members of the C40 Cities Climate Leadership Group, so as to avoid overlapping and potentially conflicting approaches. Secondly, the recommendation above to continue to work at the national, state and local levels implies continuing to focus on ULBs in Tamil Nadu and Gujarat, and/or engaging with other such states that support multi-level governance approaches to climate action. Thirdly, as discussed above, the synergies possible between a project like CapaCITIES and several of the national missions such as AMRUT are quite strong. Therefore, in selecting any additional states in which to work, this consideration should be borne in mind as well.

[57] 'Nonexclusive' in the sense that one or more of these options could be combined.

Option 2 – Focus on hill towns, including in the Himalayan region

The Intergovernmental Panel on Climate Change (IPCC) has drawn attention to the particular impacts of climate change faced by inhabitants of lands close to glaciers. Noting that many glaciers are losing area, impacts to human settlements include changes to sources of water and "a hazard due to the formation of moraine-dammed glacial lakes" (IPCC AR5 WG II, 2014, p. 1355). Hill towns whether in the Himalayan region or not may also face hazards related to building on steep slopes (e.g., Aizawl town in Mizoram), whereby high levels of precipitation or earthquakes can trigger landslides. Indeed, per the National Institute of Disaster Management (NIDM), an estimated 12.6 per cent of India's land is prone to landslides, especially in Uttarkhand, West Bengal and Sikkim. Moreover, poor urban land use planning or controls may add to land instability and increase exposure of populations to landslides[58]. Many hill towns also must contend with rapid urban growth and pressure on scarce natural resources. Many of their local economies depend on tourism.

Working with a set of local governments that face similar hazards or otherwise share common features offers advantages. Such may foster peer-to-peer exchanges between participants – an important means for learning by local officials. At the same time donors may realize efficiencies by fielding experts with specialized diagnostic or solution-oriented experience to more than one locality. For such reasons, both nationally (e.g., NIUA's 'Urban Rivers' initiative) and internationally (e.g., C40's and Rotterdam's 'Connecting Delta Cities' network)[59], the notion of working with a set of local governments that face similar challenges has its advocates. Moreover, supporting hill towns and/or communities in the Himalayan region would take advantage of Swiss know-how in building safely and addressing natural hazards in alpine areas, as well as in e-transport. It could also provide for a 'sister city/town' dimension to a project, in addition to other, more substantive components. At the same time, no other donors are focused on this niche.

One challenge in scoping such a project as a follow-up to CapaCITIES would be to identify local governments of sufficient size to act as effective counterparts. After Srinagar (pop. 1.2 million) and Dehra Dun (600-800 thousand), many hill towns are quite small, with Urban Local Bodies (ULBs) often designated as town panchayats or municipalities rather than as municipal corporations. Engaging with such counterparts might entail different or modified approaches to planning and project development than has been taken under the CapaCITIES Project. For example, working in tandem with pairs of ULBs and urban development authorities or urban improvement trusts may be effective (see further discussion below). at the same time, greater attention to adaptation rather than mitigation measures may be called for in these areas.

SDC has already supported assessment of climate vulnerabilities nationwide, including in hill towns and in the Himalayan region, and has engaged with NIUA on this topic. A next step in exploring such a focus could involve overlaying maps of climate-related vulnerabilities and natural hazard risks with the location of the larger hill towns. Such a focus could also be informally explored with NIUA, MoHUA and NIDM.

Option 3 – Work at the city-region scale to achieve climatic and environmental benefits

While a number of mitigation and adaptation actions can be taken at the city scale, working at a somewhat larger 'city-region' scale opens up a new set of potentially high-impact, transformative climatic and environmental solutions. These include:

- ✓ taking ecosystem-based approaches to adaptation (e.g., to absorb storm surge and carbon by restoring mangrove forests near large water bodies),
- ✓ protecting green and blue corridors (to address urban heat island by providing wind tunnels, and to safeguard biodiversity by allowing for the circulation of animals),
- ✓ providing for the smooth integration of peri-urban areas into the urban fabric, and
- ✓ planning integrated transportation systems at the metro scale (reduce emissions, improve air quality).

[58] See NIDM's National Landslide Risk Management Strategy, September 2019.
[59] See http://urbanrivers.niua.org/ and https://www.c40.org/networks/connecting-delta-cities-network/.

Taking this approach in India might involve working with pairs of Municipal Corporations and Urban Development Authorities (UDAs) – an innovative approach. As noted above, UDAs are generally responsible for land use planning, including within municipal boundaries, so such 'twinning' could promote more coordinated urban development. Further exploring this approach would involve discussing it with state-level officials in potential candidate states[60], since making it succeed would entail finding a high-level champion.

Option 4 – Help municipal corporations become creditworthy and obtain credits for climate action

As noted above the CapaCITIES 2 Project sought, as one of its Outcomes: "Enhanced capacities of city governments to access financing for scaled-up urban climate action". One way to build such capacities would be to help project cities become more creditworthy.

To date a limited number of ULBs have received investment grade credit ratings, a prerequisite to mobilizing long-term, relatively low cost credits by issuing bonds. In 2017, the Ministry of Housing and Urban Affairs reported that, of 94 cities included in the Smart City and AMRUT Missions, 55 had received credit ratings at or above BBB- (the lowest investment grade); a number of other ULBs hovered just below this level[61]. CRISIL Ratings Ltd. among others has argued that transforming even a limited number of ULBs into creditworthy entities capable of issuing municipal bonds would be "immensely transformational" for the country; they also note high-level support for such a development[62]. The World Bank, among others, has sought to help cities globally increase their creditworthiness. Their earlier City Creditworthiness Initiative took a roadmap approach to "helping cities improve their financial performance" so as to "secure the private investment they need to fund climate-smart infrastructure and services"[63]. In many cases, however, this engagement with cities was limited to only 'one-off' workshops. The World Bank and other IFIs could well find more in-depth and sustained support by a donor such as SDC in this area to be synergistic with their work.

A project outcome focused on helping cities access financing for climate investment while becoming more creditworthy would not be very different from Outcome area 2 of the present CapaCITIES 2 Project. Arguably, such an end would merely help focus capacity-building in this area, with a ready-made yardstick at hand to measure results. At the same time, such an outcome might have implications for the selection of participating cities. Steps in further exploring support in this area might include: (1) assessing the current level of GoI support for increased ULB creditworthiness; (2) determining current and planned activities of IFIs and donors in this area, so as to better coordinate assistance; and (3) overlaying an updated list of ULBs that linger just below minimum investment grade with other considerations such as location (state), size and climate vulnerability.

Option 5 – Provide increased inputs into national-level rules and regulations, and support roll-out

Perhaps the primary way to institutionalize better practices at the city level begins with changes to the enabling framework at the national and state levels. A project that works at various levels is well positioned to provide inputs to revised guidelines and regulations at the state and national level, based on experiences at the local level, and indeed some of this is currently occurring under the CapaCITIES 2 Project. At the same time, inputs could be provided into a larger set of policies, laws and regulations, including:

- GIS-based Master Planning Guidelines[64]
- Local Area Planning and Town Planning Scheme Guidelines[65]

[60] In discussions with IAs in May 2023, Uttar Pradesh was mentioned as a possible candidate state.
[61] Ministry of Housing and Urban Affairs, "Credit rating of ULBs gain momentum", 26 March 2017. Attached to this press release is a list of 94 ULBs, rated on a scale from AA+ (most creditworthy) to B.
[62] CRISIL Ratings Ltd., "A roadmap to scale up India's municipal bond program", 4 September 2019.
[63] See https://www.worldbank.org/en/topic/urbandevelopment/brief/city-creditworthiness-initiative.
[64] TCPO and MoHUA (2018), "Sub-scheme on Formulation o9f GIS-based Master Plans under AMRUT mission".
[65] TCPO and MoHUA (2018), "Sub-scheme on Local Area Plan and Town Planning Scheme under AMRUT mission"

- Project Preparation Manuals for water supply, sewerage, drainage, sanitation, etc.[66]
- Model Municipal Law 2013[67], and
- The Ministry of Urban Development's 2004 National Municipal Accounts Manual.

A project could then support national and state entities in sensitizing local officials to new guidance, as well as, in some cases, rolling out corresponding tools and training modules (e.g., on preparing a climate budget[68]) at the local level to help ULBs embrace new guidelines.

[66] Central Public Health and Environmental Engineering Organisation (CPHEEO) and MoHUA has prepared the Manuals on water supply, sewerage, drainage and solid waste management.
[67] https://jobs.niua.in/projects/review-model-municipal-law.
[68] For such an initiative currently underway in India, see "Creating a climate budget for Mumbai", found on pp. 195-96 of Mumbai's Climate Action Plan 2022.

Appendix A – Terms of Reference for the Review of Capacity Building for Low Carbon and Climate Resilient Cities Development in India (CapaCITIES) Project Phase II

1 Introduction and Context

1.1 Introduction

This Terms of Reference (ToR) is proposed for undertaking the project evaluation for the Swiss Development Cooperation's (SDC) Capacity Building for Low Carbon and Climate Resilient Cities Development in India (CapaCITIES) Project Phase II (final phase of the project). The ToR is divided in 10 segments covering context, objectives, scope and a proposed methodology of the review. The subsequent sections describe the expected outcomes, timelines, selection criteria and selection process. This ToR will be part of the review mandate's contract.

1.2 Context

Cities have an essential role to play in climate change adaptation and mitigation. On the one hand, cities are responsible for nearly 80% of energy consumption and 60% of CO2 emissions. Alternatively, cities also tend to be highly vulnerable to the impacts of climate change. Worldwide, the increasing urban population needs immediate access to basic services and infrastructure. So the infrastructure needs to be planned and built now, but systematically incorporating present and future challenges such as the impacts of climate change.

India is amongst the fastest growing economies in the world, led by its vast number of cities. However these cities are also contributing significantly to Green House Gases (GHG) emissions. By 2030, the urban population of India is expected to rise to 600 million and with the business as usual scenario it would imply a carbon intensive growth. As urban areas continue to expand, the cities are facing the twin challenge of meeting their immediate needs, especially for poor and vulnerable sections (infrastructure, basic sanitation services, etc.), and combating the effects of climate change. India is the seventh-most vulnerable country with respect to climate extremes, hazards and risks. At present, 43 Indian cities are listed in the world's 100 most vulnerable cities to environmental and climate hazards, this necessitates immediate climate actions especially in urban areas. With a large part of the buildings and transport systems to be built in the coming decades, emerging cities offer a great potential for mitigating GHG emissions, if climate change aspects are considered more systematically in urban planning. Climate change resilience needs to be increased in order to avoid human and economic losses, migration and people falling back into (extreme) poverty.

Led by India's national vision, the real action has already begun in India's states and cities. Over the past few years national missions like the Smart Cities Mission have made visible efforts to mainstream climate aspects, acknowledge climate actions by cities with associated financial support. Similarly, the states and cities have also initiated policies, actions and reforms to integrate climate into their developmental activities.

SDC is responsible for development cooperation with the South and East, multilateral cooperation as well as for Switzerland's humanitarian aid. With a focus on global challenges, Switzerland's International Cooperation Strategy (2021-24) states Climate Change as one of its 4 priority areas. In India, SDC has

been working for more than 60 years and for the past decade focused mostly on climate change and environment. It works with national and sub national governments, with Swiss and Indian universities, organisations and companies, to promote its strategic areas. SDC works on both climate change mitigation and adaptation. Through 7 bilateral projects in India, SDC supports development of low carbon cement, energy efficiency in buildings, and renewable energies in buildings, and in agriculture. Its work on strengthening climate resilience entails working with communities, cities and states including in the Himalayan region. These projects are in alignment with SDC's Global Programme Climate Change and Environment (GPCCE)[69] strategic framework which fosters integration of adaptation and mitigation approaches to maximise developmental gains.

2 About CapaCITIES Project

The Capacity Building for Low Carbon and Climate Resilient City Development Project aims at supporting cities to prepare climate action plans (mitigation & adaptation) and thereafter systematically implement priority actions listed in these plans. The project also aims at strengthening capacities, showcasing concrete actions, and providing a platform to support meaningful bankable projects in Indian Cities, and contribute to the policy dialogue with various tiers from local to global actors.

In phase I (June 2016- July 2019), the CapaCITIES project developed a Climate Resilient Cities Action Plan (CRCAP) methodology combining adaptation and mitigation. The CRCAP methodology was used to prepare the CRCAP plans for 4 partner cities (Coimbatore, Rajkot, Siliguri and Udaipur), which were council ratified and used for strengthening local governments' capacities. Subsequently cities allocated funds from the municipal budgets for identified prioritised actions in the plan. With project support, partner cities also implemented pilots (quickwins) and bankable projects and received technical assistance for implementing climate actions.

Based on the project evaluation of Phase I, carried out in 2018-19, the number of cities was increased and activities were upscaled especially at the state level. The evaluation of the overall project was very positive and appreciated the project set up, work areas, high value and the relevance in the context of climate resilience in cities. Based on the recommendations from the project evaluation, the Phase II (August 2019 - July 2023) of CapaCITIES expanded its work to 8 partner cities (including 4 from phase I), initiated closer engagement with two states from Phase 1 (Tamil Nadu and Gujarat), scaled up city actions, devised simplified climate action plan methodology, strengthened adaptation measures, and focused on leveraging resources for the action plans. In phase II the project through the climate action plans works across transport, waste, water, biodiversity sectors. The cities are supported to mainstream climate change aspects in developmental activities in the respective sectors.

The project in phase II partners with 8 cities, including 4 from phase I. It also works at the state level with Tamil Nadu and Gujarat (each having 3 partner cities).

S. No	Partner cities	State	Phase I cities	Phase II cities
1	Coimbatore	Tamil Nadu	Yes	Yes
2	Rajkot	Gujarat	Yes	Yes
3	Siliguri	West Bengal	Yes	Yes

69 With the Reorganisation of SDC in September 2022, the GPCCE and the DRR Teams have merged to the Section Climate, DRR and Environment (CDE) of the Thematic Cooperation Division within SDC.

4	Udaipur	Rajasthan	Yes	Yes
5	Tirunavelli	Tamil Nadu		Yes
6	Tiruchirappallii	Tamil Nadu		Yes
7	Ahmadabad	Gujarat		Yes
8	Vadodara	Gujarat		Yes

Unfortunately, the second phase of the project was impacted by Covid19 restrictions in 2020-21 and as a result several projects, especially the field based activities, were delayed. During this period the response from project stakeholders was slow and it took significant efforts on behalf of the project to bring up the speed of implementation of activities to the pre-pandemic level. To enable the completion of activities and make up for the lost time due to Covid, CapaCITIES was extended till June 2024.

Overall goal of phase II: *Lower greenhouse gas emissions growth path achieved and resilience to climate change increased in select Indian cities and states.* The phase II has three defined outcomes, namely:

1. City and state governments integrate climate change aspects (adaptation and mitigation) into urban planning and implementation
2. Enhanced capacities of city and state governments to access finance for scaled up urban climate action
3. Enhanced knowledge on accelerating city climate action at the national and global level

For the phase II implementation, the project continued with the same partners from phase 1, which were selected through a competitive process. The project's Implementing Agency (IA) is a consortium of Indo-Swiss partners, led by the South Pole Group, ICLEI South Asia and eConcept. The core IA team is supported by a pool of international and national thematic experts. In 2019, the Ministry of Housing and Urban Affairs (MoHUA) assigned the National Institute of Urban Affairs (NIUA) the function of a secretariat for the Smart Cities Mission including Climate Centre for Cities (C-Cube). As a result, in phase II the role and partnership with the NIUA was expanded from phase I. NIUA is a key technical project partner and is supporting in reaching out to the national and state governments, capacity building activities, providing guidance to the project cities and also disseminating outcomes of the project. In addition, the project also contributes to several national missions like National Mission on Sustainable Habitat, AMRUT, SBM, FAME etc.

A Programme Management Unit (PMU), which comprises of the core team of consortium members, is responsible for project implementation, coordination and monitoring. It includes state/thematic coaches (based in Delhi); finance coaches for state and city support and state/ city level project officers, who provide guidance on securing finance for the projects in the thematic focus areas (waste, water, transport) at the state and city level; c) State and City level project officers based in respective state government departments and city municipal corporations. This PMU is supported by an independent pool of thematic experts from Swiss/international and Indian organisations.

Phase II is the last phase of the project. In the future, SDC plans to explore a potential new initiative in the field of climate change adaptation and mitigation in cities/urban areas that would build on the projects results and experience, make use of SDC's expertise, and address specific needs. The evaluation is expected to provide useful recommendations for a potential future intervention.

Few Highlights from the Project from Phase II

- Four cities have already ratified and started implementing their climate action plans. 3 of them have successfully achieved more than 65% of their GHG mitigation targets, despite Covid-related challenges.
- A few partner cities have allocated municipal budget for the implementation of climate actions identified in their respective climate plans. In 2021-22 the city of Rajkot has allocated CHF 62.6 million municipal budget for its implementation and other cities are also following this lead.
- A simplified CRC Climate Resilient Cities (CRC) methodology was finalised to develop city climate action plans for all Phase II cities, using a Basket of Solutions (BoS) which provides cities with an exhaustive list of climate actions across various sectors.
- Numerous pilots have been or are presently being implemented, scaled up and co-financed with cities following the action plans with the support from local governments. 70
- Partner cities have seen their efforts acknowledged and rewarded at both national and international levels: e.g. by the Global Covenant of Mayors (GCoM), WWF's One planet City Challenge or the Urban Ministry led Climate Smart Cities Assessment Framework.
- At the national level, the project is providing inputs for the development of the National Urban Disaster and Climate Resilience Planning and Management Guidelines, for over 4000 cities/towns.

3 Objective, Scope and Focus of the Review

3.1 Objectives of the Review

SDC through this Terms of Reference aims to commission an external review on the CapaCITIES project phase II to assess the overall performance of the project for the potential next steps. The review is expected to:

1. Provide SDC with an objective independent assessment of the overall performance of SDC funded CapaCITIES Project in its second phase (16.07.2019 – 30.6.2024), including the impact, outcomes, outputs, partnerships and processes up to March 2023;
2. Highlight potential areas of improvements so that the project can fully achieve the planned objectives before the end date of the project (i.e. June 2024); and finally
3. Provide ideas and recommendation for a potential future SDC supported project, i.e. an intervention at the city level beyond 2024.

3.2 Scope and Focus of the Review

The CapaCITIES review should be based on the OECD/DAC Criteria[71] viz. relevance, coherence, impact, effectiveness, efficiency, and sustainability. More specifically, the following key points/questions shall serve as guidance for aspects to be considered in the comprehensive assessment of the project's achievements by the review team. During the review, the team may come up with different/additional aspects, which could be considered in the assignment. Therefore, it is proposed that reviewers in consultation with SDC shall refine, prioritize or add relevant questions to the list.

70 Partner cities are undertaking pilots on deployment of solar PV for water treatment plants, floating solar, solid waste treatment plants, urban forest, and including preparation of national guidelines, implementing inner city green mobility zone etc. A 145 kWp solar PV project for a water utility led to the deployment of 1 MW of solar PV for municipal utilities in Rajkot; a 1.5 TPD bio-methanation plant in Coimbatore has now led to the preparation of a bankable 200 Tons per day (TPD) bio CNG plant; Udaipur scaled up its 2 TPD bio-methanation plant to a 20 TPD Bio CNG plant; A 100 kWp floating solar PV plant planned in Coimbatore has led to the preparation of a bankable project of 10 MW; U(biodiversity) urban forests in Vadodara, Udaipur and Siliguri and national level guidelines are under preparation; Udaipur implementing a Green Mobility Zone.

[71] OECD/DAC Network on Development Evaluation: Better Criteria for Better Evaluation. Revised Evaluation Criteria Definitions and Principles for Use (2019).

Relevance and Coherence	• How relevant is the project in the partner cities and states it operates in, i.e. how adequate is the project in addressing the challenges of climate change adaptation and mitigation at the city and state level? Could the project fill important gaps? • Is the project aligned with the objectives of various national policies and programmes (Nationally Determined Contributions, Smart City Mission, National Sustainable Habitat Mission etc.)? What learnings from the CapaCITIES are contributing to the GPCCE Strategy? • How has the project exchanged and interacted with global initiatives working on climate resilience for cities such as C40, GCOM, RCAP etc.? What has been its added value compared to existing interventions? • Have the recommendations of the Phase I review been addressed?
Effectiveness	• Has the project achieved the expected outcomes and outputs as defined in the project log frame? • Is the choice of partner cities and demonstration projects appropriate, and have they achieved their stated goals by contributing to the project outcomes? • How effective is the overall institutional set-up of the project? • Have the climate action plans facilitated systematic planning and been incorporated in the city's planning and decision making process for mitigation and adaptation initiatives? • Has the project been effective in institutionalising tools, learnings, actions at the state and national level? • Was the project able to effectively adapt its strategies keeping in view the changing external policy and implementation environment? • Has the project undertaken effective dissemination and outreach? • Are there any recommendations so as to increase the effectiveness until the end of the project, i.e. June 2024?
Efficiency	• Is the use of SDC funds allocated for CapaCITIES project utilized efficiently? • Have the overall project steering and management been efficient?
Impacts	• Has the project managed to bring positive, sustainable and expected impacts on low emission development and climate resilience related policies and processes at the relevant level (national, state and city) ? • Are there any unexpected impacts?
Sustainability	• Do the current results, interventions, tools, capacity building instruments have the potential to be sustained, upscaled and replicated? What are the accelerating or limiting factors? • Are responsible authorities capacitated / do they dispose of the needed processes and guidance in order to continue the implementation of climate actions? • Are there any recommendations so as to increase the sustainability of the project until the end date, i.e. June 2024?
Potential new Project beyond 2024	• Provide specific guidance/recommendations for the design of a potentially new project on climate change adaptation and mitigation in cities/urban areas. Please take into account a) the lessons learnt from this project, b) India specific needs and priorities and c) SDC's strategy and global priorities.

4 Review Methodology and Process

4.1 Review Methodology

The detailed methodology and approaches related to the review will be developed by the evaluators, therefore the following suggested steps should be taken as indicative.

Step 1: It is expected that the team will engage in a desk review of the key documents including the project document, project log frame, operational and financial reports, end of phase report (phase I), minutes/ proceedings of the project steering committees, other related project documents. In addition, knowledge products, related exchange with stakeholders, training material, manuals, newsletters, etc. will also be shared with the team for review. The CapaCITIES project team will provide support in providing the requisite documentations to the review team in coordination with the SDC. The evaluators are expected to exchange with national ministry, NIUA, partner state government departments and city governments, other international agencies working on cities and climate change including GIZ, EU, AfD along with C40 etc.

Step 2: As second step, on the basis of first interactions with SDC and project partners, the review team will come up with a brief inception report outlining their detailed methodology and work plan for organizing the review, considering the available time, resources and data/information. The team members will also agree on the indicators, questions and hypotheses related to the review and their respective roles and responsibilities in discharging various tasks associated with the review including writing of the reports.

Step 3: The review team will visit selected project implementation sites in partner cities/states and have meetings (virtual and in person) with project partners, national and state level government agencies, city municipal corporations, beneficiaries, respective stakeholders etc. The team is expected to visit at least 4 partner cities (ideally 2 phase I and 2 from phase II) of the total 8. However, virtual meetings and exchange can be organised with all the 8 cities. The review team could also participate in ongoing activities (workshops or training programmes), if conducted at the time of review team's visit. A debriefing session shall be organised at the SDC Programme Office in New Delhi along with SDC Head Office in order to present and discuss interim findings.

Step 4: Finally, the review team, led by the Team Leader, will prepare a draft report and submit it to SDC for comments. The report shall include an executive Summary of a maximum of 3 pages. After incorporating the comments of SDC, the final report shall be submitted and a presentation will be made virtually on the main findings to SDC (India office and Bern Head Office).

4.2 Composition and Roles of the review team evaluator(s)

SDC proposes to have a two member review team comprising of an international and Indian national expert. The overall responsibility will be with the international expert who will be the team leader for the review. The international expert will be contracted by SDC and will either sub contract the Indian national expert or otherwise SDC will contract the Indian national expert directly. It is important that the skills, expertise and experiences of the evaluator's team are complementary. The team leader (international expert) will also be vested with the responsibility of timely submission of the inception/ draft and final reports, debriefing and presentation of findings.

4.3 Review Process and Timeframe

The review is proposed to be carried out during 1 March 2023 – 31 May 2023. To undertake the review the following work plan and timeline are proposed along with suggested responsibilities. However, the review team is expected to adapt the work plan at the inception of the exercise, in consultation with SDC.

Action Items

Actions	Duration (tentative timeline)	Responsible	Tentative number of days*
Kick off meeting virtually	First week of March 2023	Review team and SDC team responsible for CapaCITIES project.	Around 5-7 days
Desk review of relevant project documents	7 March – 19 March 2023	SDC India to share all the relevant documents by last week of February with the review team.	
Interaction with project partners/ Implementation Agency (IA)	20 March - 23 March 2023	Interaction between review team and CapaCITIES IA. The meetings could be in-person (Bern and New Delhi) or virtually, subject to availability.	
Inception report	Last week of March 2023	Schedule of meetings with project stakeholders and city visit will be planned jointly with SDC, IA and the review team.	
Stakeholder interactions and city visits	April 2023	For collating insights, assessment and feedback	Around 12-15 days
Debriefing meeting	Last week of April 2023	Review team and SDC India team	
Submission of draft report	10 May 2023	Team leader of the review team	Around 8-10 days
Comments by SDC	17 May 2023	SDC India and HQ team	
Submission of final report	24 May 2023	Team leader of the review team	
Presentation to SDC	30 May 2023	Hybrid debriefing by review team to SDC India and Bern	

**these are indicative days for individual evaluators. However, the total number of days for both the evaluators should be within the range of 50-55 days.*

It is estimated that the total number of person-days required for the review would be around 50-55 days together for the two evaluators. The suggested number of days will include preparation, briefings, consultation, travel, field visits, workshops, debriefing, report writing, etc. Both the experts are expected to jointly visit partner cities and undertake stakeholders' exchange. The field visits shall be carefully planned after a detailed consultation with SDC and project partners with due consideration of health risks from Covid.

5 Deliverables and Reporting

5.1 Deliverables

The review team is expected to submit a comprehensive analytical report that provides a concise and objective assessment of the project. The report should have an executive summary of maximum 3 pages. The report should be able to provide strategic insights and recommendations for the implementation until the end of the project, i.e. June 2024 as well as some guidance in terms of designing a potential future interventions in the urban resilience sector in India. The report will be made available to the project implementation team as well as project partner agencies. SDC will decide in case some parts of the report will be kept for SDC internally. Following are the key deliverables[72] expected once the review process is initiated.

The team is expected to provide the following deliverables on convening:

- A short inception report indicating the detailed methodology, review work plan and initial findings from the desk review
- Presentation to SDC India with interim findings after the site visits/meetings
- Draft review report for SDC Comments
- Final review report (around 25-30 pages, excluding annexures & a 3 page executive summary)
- Presentation of the final review report to SDC (Bern and Indian a hybrid mode)
- List of stakeholders interviewed

5.2 Reporting

The evaluator(s) will report to the Head of Cooperation of the SDC in New Delhi for the entire duration of the assignment. Operational support will be provided by the National Programme Officers (NPO) in New Delhi and the Program Officer in Bern as per the necessity.

6 Reference Documents

After signing the contract the following documents/material will be made available to the members of the review team prior to/ during for the evaluator's first desk review:

- Credit Proposal
- Project document and log frame
- Project factsheets
- Annual Operational Reports/Financial reports
- Minutes of the steering committee meetings, etc.

72 All reports and presentations are to be written in English and submitted in electronic format.

Appendix B – CapaCITIES Phase 2 Logical Framework

(Impacts, Outcomes & Outputs only[73])

Impact (Overall Goal) – *Lower greenhouse gas emissions growth path achieved and resilience to climate change increased in select Indian cities*

Outcome 1 – City and state governments integrate climate change aspects (adaptation and mitigation) into urban planning and implementation

Output 1.1: Simplified ClimateResilientCities Process and assessment instruments (Basket of Solutions) are prepared

Output 1.2: Climate Resilient City Action Plans including climate change adaptation and mitigation prepared and implemented in 8 cities

Output 1.3: Institutionalization of the urban climate action planning process at the state level

Outcome 2 – Enhanced capacities of city and state governments to access finance for scaled up urban climate action

Output 2.1: City level climate actions identified and prepared for financing

Output 2.2: Public private co-financing and other sources [i.e., beyond municipal budgets] mobilized for financing city climate actions

Output 2.3: State and city-level capacities enhanced to enable access to climate finance

Outcome 3 – Enhanced knowledge on accelerating city climate action at the national and global level

Output 3.1: Knowledge products disseminated and reported at the national level

Output 3.2: Policy dialogues conducted at the national level for mainstreaming project results

Output 3.3: Project results and knowledge products are documented, disseminated, and reported at the global level

[73] For full Project Logframe, including Indicators (at Impact, Outcome and Output levels), Data Sources / Means of Verification, and External Factors (Assumptions & Risks), see CapaCITIES 2 Project Document. These also appear, together with 'current status', in periodic progress reports.

Appendix C – Meetings with SDC, National Partners & International Partners

Meetings with SDC, Partners and International Organisations	
Organisations/Date	**Participants**
Meetings with SDC	
30 March 2023 (virtual)	
Kick off Meeting with SDC and Implementing Agencies	
SDC	Dr. Jonathan Demenge, Head of International Cooperation and Counsellor, Ms. Jacqueline Schmid, Ms. Lisa-Tanita Greminger Programme Officer
ICELI-SA	Mr. Emani Kumar, Executive Director (Co-Project leader), Ms. Soumya Chaturvedula, Deputy Director.
2 and 16 May	
Meetings with SDC	Dr. Jonathan Demenge, Head of International Cooperation and Counsellor, Ms.Ridhima Sud, Senior Thematic Advisor and Ms. Lisa-Tanita Greminger Programme Officer
Meetings with Partners	
29-30 April 2023: Vadodara	
Vadodara Municipal Corporation	Mr. Hashmukh Prajapati, Dy. Municipal Commissioner, Mr. Jatan Badheka, Dy. Executive Engineer (Street Lighting), Mr. Gaurav Panchal, Assistant Director (Parks and Gardens), and Mr. Dalwadi (Consultant- Miyawaki Forest).
	Site visit to Miyawaki Urban Forest Pilot Project, at Chhani Lake.
	In Vadodara, the team me Mr. Ankit Makvana, Manager, Gujarat Operations and Mr. Jay Shah Vadodara City Associate (CA), ICLEI-SA.
1 and 15 May 2023: New Delhi	
Implementing Agencies (Hybrid)	
ICLEI-SA	Mr. Emani Kumar, Executive Director (Co-Project leader), Ms. Soumya Chaturvedula, Deputy Director, Ashish Rao Ghorpade, Deputy Director, Ms. Monalisa Sen, Coordinator Biodiversity Programme, Mr. Daniel Robinson, Tamil Nadu State Project Lead, Mr. Ankit Makvana Manager Gujarat Operations, Mr. Jay Shah Vadodara City Associate (CA), Mr. Souhardo Chakraborty, Siliguri CA, Mr. Sella Krishna, Coimbatore CA, Mr. Senthil Arumugam Tirunelveli CA, Mr. Nagendran Nagarajan, Tiruchirappalli CA, Mr. Bhupandra Salodia Udaipur CA and Mr. Nilesh Prajapati, Rajkot CA.
South Pole	Mr. Hans-Peter Egler (Co-project leader) Director Technical Assistance, Climate Investments, Mr. Mehul Patwari Associate Director Climate Investments, Ms. Jasna Thomas Associate Specialist Climate Investments
Econcept	Mr. Reto Dettli
1 May 2023	
NIUA	Mr. Hitesh Vaidya, Director, Dr. Victor Shinde, Head C-Cube, Mr. Punit Gandhi, Proramme Lead- Advocacy and Mr. Mukesh Pofir, National Project Coordinator CapaCities II
MoUHA	Mr. Lal Chandama, Under Secretary-II, Smart City -I
2 May 2023: Chennai	
TN State	Ms. Supriya Sahu I.A.S., Additional Chief Secretary Environment, Forest and Climate Change Department, Government of TN Mr Vishnu Chandran I.A.S., Joint Commissioner of Municipal Administration, Government of TN
	Ms. Samhita, Founder, Ela Green, Consultant Green Buildings

	Mr. Gopal Krishnan, Head and Director US Green Building Council, Asia Pacific and Middle East and Mr. K. Raman, Green Building Council of India (Online)
	In Chennai. the team met Mr. Daniel Robinson, Tamil Nadu State Project Lead and Mr. Prasanna Venkatesh, TN State Project Associate of ICLEI SA
3-4-5 May, 2023: Coimbatore	
Coimbatore City Municipal Corporation	Mr. M. Prathap, IAS, Municipal Commissioner, Dr. Sharmila, Deputy Municipal Commissioner, Mr. Senthilbaskar, Assistant Executive Engineer, North Zone and Mr. Saravanakumar, Sanitary Inspector, Ward no. 69.
	Site visits to proposed to floating solar plant Periyakulam Lake (Big Tank) and Biogas plant site, Bharathi park.
	In Coimbatore, the team met by Mr. Sella Krishna, Coimbatore CA, ICLEI SA.
8-9-10 May 2023: Ahmedabad/Gandhinagar	
Gujarat State	Mr. Bipin Talati IAS, Additional Secretary and Mr. Shwetal Shah, Technical Advisor, Climate Change Department. Government of Gujarat
Ahmedabad Municipal Corporation	Mr. Praveen Chaudhary IAS, Deputy Municipal Commissioner and Mr. Brijesh Joshi, Assistant Executive Engineer Energy Cell, AMC
	Mr. Mehul Dhokai, Director Omniion Technologies & Consultant to AMC; and Mr. Manish Vadanere, Visiting Faculty, CEPT University & Consultant to AMC
	In Ahmedabad and Gandhinagar, the team met Mr. Ankit Makvana Manager Gujarat Operations, Mr. Devash Pathak, Project Associate (State) and Ms. Basundhara Karki, City Associate, Ahmedabad of ICLEI-SA.
11-12 May 2023: Udaipur	
Udaipur	Mr. Govind Singh Taunk, Mayor, Mr. Vasudev Malawat, Commissioner, Mr. Mukesh Chandra Pujari Superintending Engineer, **Udaipur Municipal Corporation** (UMC)
	Mr. Akhilesh Sharma, Executive Engineer, PHED (Public Health and Engineering Department, water supply department), Ms. Ritu Sharma, Deputy Town Planner, Urban Improvement Trust (UIT), Dr. Dinesh Pant, Research Fellow, The Energy and Resources Institute (TERI), Delhi, Mr. Amit, Plant, Plant Supervisor, Mahindra & Mahindra and Mr. Raghunandan, e-Rickshaw driver
	Site visits to 2 TPD Bio-methanation Plant, Madri Fire Station, 20 TPD Bio-methanation CG plant, Balicha, Miyawaki Urban Forest Pilot Project, Mohta Park and proposed Green Mobility Zone, Old City area, Udaipur.
	In Udaipur, the team met Mr. Bhupandra Salodia Udaipur CA of ICLEI-SA.
15 May 203: New Delhi	
Implementing Agencies (Hybrid)	Representatives of ICLEI SA, South Pole and econcept.
Virtual Meetings	
23 May 2023	Mr. Kishor P. Dethariya, In-charge Executive Engineer, Rajkot Municipal Corporation
24 May 2023	Mr. Sonam W. Bhutia, Municipal Commissioner, Siliguri Municipal Corporation
26 May, 2023	Mr. Balasubramanian, Executive Engineer and Ms. Muthu Lakshmi, Assistant Executive Engineer, Tiruchirappalli Municipal Corporation
28 May 2023	Mr. S. Lenin, Assistant Executive Engineer, Tirunelveli Municipal Corporation (Nodal Project Officer)

	The virtual meetings were coordinated by Mr. Daniel Robinson, Tamil Nadu State Project Lead, Mr. Souhardo Chakraborty, Siliguri CA, Mr. Senthil Arumugam Tirunelveli CA, Mr. Nagendran Nagarajan, Tiruchirappalli CA, and Mr. Nilesh Prajapati, Rajkot CA 0f ICELI-SA.
Meetings with International Organisations	
1-2 May 2023: New Delhi	
GIZ India	Mr. Sebastian Markart, Senior Advisor Sustainable Urban and Industrial Development (SUID), Mr. Nikolas Boehlke, Advisor SUID Cluster and Mr. Lalu Mathew, Urban and Regional Planning Advisor
Agence Française de Développement (AFD)	Mr. Rajnish Ahuja, Head, Transport and Urban Development Team, Ms. Diane Bittar, Project Manager-Urban Development, Ms. Akshita Sharma, Sector Portfolio Manager- Bio-diversity and Ms. Jyothi Vijayan Nair, Sector Portfolio Manager, Urban Development and Resilience.
C40	Ms. Shruti Narayan, Regional Director, South Asia
15-16 May 2023: New Delhi	
Asian Development Bank	Mr. Ashok Srivastava, Senior Urban Specialist
Coalition for Disaster Resilient Infrastructure (CDRI)	Mr. Amit Prothi, Director General and Ms. Sakshi Chadda Dasgupta, Lead Specialist
World Bank	Mr. Raghu Kesavan, Senior Infrastructure Specialist

Appendix D – Criteria Used to Select Bankable Projects (Outcome 2)

Willingness of the City & Official City Approval

Maturity of Technology & Similar Projects

Priority of the State

Economic Driver of the City

Leveraging Government Schemes

Climate Adaptation/Mitigation on Project

Source of GHG Reduction

Dimension of GHG reduction impact

Basis of GHG emissions

SDG [Sustainable Development Goals] Impact

Potential Risk & Replicability of Project

Nature & Extent of Technical Expertise Required

Technical Consulting Costing – Estimate

Costing Quick Win / Cofinancing implementation budget

Potential amount leveraged by City

Priority (1-3)

Source: "CapaCITIES II Bankable Project Screening Sheet", headings of Columns F-T.

Appendix E – ClimateResilientCities Action Plan (CRCAP) Process Models

Figure E-1: 'Comprehensive' version of CRCAP model used in CapaCITIES Phase 1

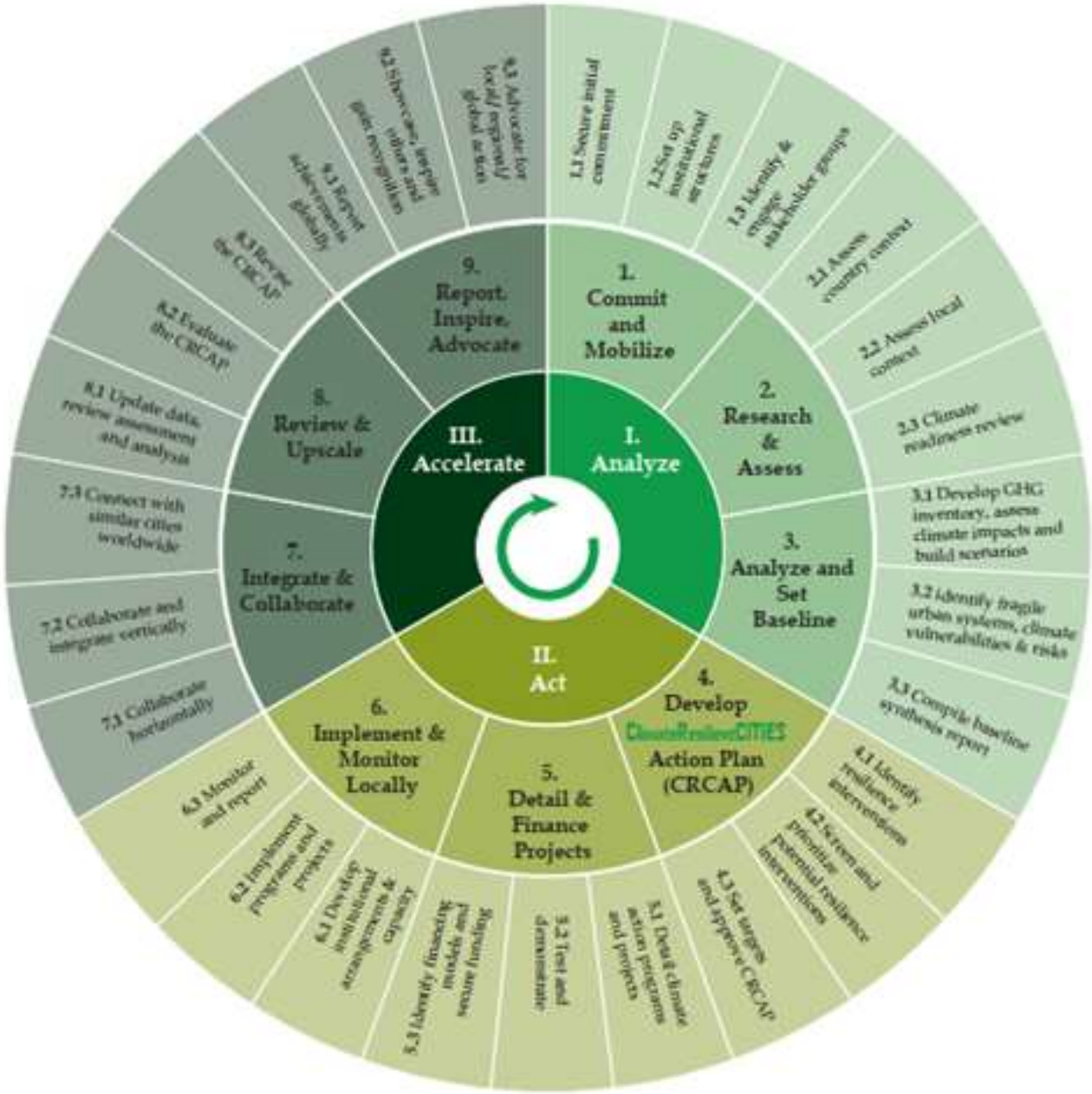

Figure E-2: 'Simplified' version of CRCAP model used at beginning of CapaCITIES Phase 2

, Management Response

Management response to the External Review of the Capacity Building for Low Carbon and Climate Resilient Cities Development in India (CapaCITIES) Project, Phase 2 (16 July 2019- 30 June 2024)

Management Response

The Management Response (MR) states the position of the SDC on the recommendations of the external review of the Capacity Building for Low Carbon and Climate Resilient Cities Development in India (CapaCITIES) Project, Phase 2. The MR provides a basis for strategic steering of the project's implementation during the remaining period and offers inputs for the design of a new initiative in the field of urban resilience. These latter recommendations on a future intervention are not dealt with in this management response: they will be the object of further internal discussions.

Assessment of the evaluation

The evaluation was conducted by Mr. Robert Kehew, international consultant & team leader and Prof. Chetan Vaidya, national consultant as per the terms of reference and in accordance with the OECD/DAC Criteria viz. relevance, coherence, impact, effectiveness, efficiency, and sustainability. The evaluation process was well managed and included close involvement of the SDC's reference group comprising Mr. Jonathan Demenge (Head of Cooperation, SDC India), Ms. Jacqueline Schmid (SDC Bern), Ms. Lisa Greminger (SDC India) and Ms. Ridhima Sud (SDC India).

The main objectives of the review were to – (i) provide an objective independent assessment of the overall performance of the Phase 2 of CapaCITIES, 16 July 2019 to the present (May 2023); (ii) highlight potential areas of improvement so that the project can fully achieve its planned objectives before the end of the project (till 30 June 2024); and (iii) provide ideas and recommendations for a potential future SDC supported project (Beyond 2024).

The overall approach adopted in the review process was discussed with SDC during the inception as well as briefing meetings. The external review was carried out successfully and in a timely manner between March and May 2023. During this time, extensive discussions were held with a large number of key stakeholders including government officials at the city, state and national levels, urban experts, private service providers, technology providers, community leaders and the project team. Between 9-31 March 2023, the reviewers conducted field visits in the cities of Vadodara, Gandhinagar and Ahmedabad in Gujarat; Chennai and Coimbatore in Tamil Nadu; and Udaipur in Rajasthan and held meetings with national level stakeholders in Delhi. Virtual interviews were held with officials from the remaining project cities of Tirunavelli and Tiruchirappalli in Tamil Nadu; Rajkot in Gujarat, and Siliguri in West Bengal in May 2023.

The review has been well conducted and the assessment and recommendations are extremely useful for the steering of the end of the project. The project review report is comprehensive and provides an in-depth assessment of performance on CapaCITIES Project, Phase 2. The report provides strategic recommendations to maximize positive results by the end of the present Phase-2 i.e. June 2024. Findings in the draft report have been presented and discussed with SDC and the implementers – giving an opportunity to offer responses and additional explanations – and compiled in the final report.

The report's analysis and resulting recommendations are considered to be useful for strengthening the implementation of CapaCITIES Project, Phase 2, and for the design of a new initiative on addressing climate change related challenges in the urban context.

Key findings and recommendations

The reviewers have noted that the design of the CapaCITIES Phase 2 Project responds to the main recommendations of the CapaCITIES project Phase 1 review. The project adopts a combination of a top-down and bottom-up approach to implementation. While it supports the implementation of national and state level policies and programmes at the city level, it ensures that the solutions are designed to respond to local needs and challenges. However, increased attention needs to be given to embedding climate action planning into national- and state-level regulations and guidelines. *To strengthen implementation of city-level Climate Resilient Cite Action Plans (CRCAPs), it is recommended to align them with the State Action Plans on Climate Change and National climate change plans.*

The Project prioritizes both climate change mitigation and adaptation as is evident from the city climate action plans being developed. However, assistance to bankable projects has favoured projects that yield mitigation benefits. *To ensure a balance between mitigation and adaptation, the reviewers have suggested several measures. For example, reporting local 'co-benefits' of climate action could strengthen reporting on adaptation, and climate action plans could focus more on adaptation needs in vulnerable hotspots identified through the methodology. It is further suggested that both climate action plans and city-level projects could more systematically embrace a pro-poor jobs and livelihoods approach.*

The Project has demonstrated several successes in mainstreaming and institutionalization of climate actions. Specific inputs provided to the national-level Climate Smart Cities Assessment Framework 2.0 and the state-level Tamil Nadu Urban Liveability Framework have both been institutionalized. However, institutional collaboration and engagement at the national and local level could be further strengthened. The project could leverage on increasingly favourable policy framework including the knowledge platform and training hub roles that an invigorated National Institute of Urban Affairs is playing in the area of urban climate action. To effectively mainstream CapaCITIES approaches in local planning, engagement with the Ministry of Housing and Urban Affairs (MoHUA), nodal ministry for urban development in the country, National Missions, Urban Development Authorities along with Municipal Corporations would be required. With concerted effort, virtually all Project outputs and outcomes look within reach. However, non-alignment of state priorities with the national missions, as reported in West Bengal, hinders engagement and adversely impacts implementation. The project is beginning to institutionalize tools and to increase their effectiveness, the core Project toolkit could be further consolidated, polished, disseminated, used as a basis for capacity-building, and provided to training institutions. The limiting factors include

a lack of statutory basis for climate action planning at local level, complex institutional framework for planning and development at the local level, limited direct Project linkage to state-level training institutes, and little direct linkage of participating cities to local sources of scientific knowledge about climate change.

Project implementation has been efficient. The project embraced the concept of leveraging. It is mobilising additional resources from public & private sources, and substantial non-municipal public & private sources are in the pipeline. Further 'Quick win' projects are leading to scaled-up investment. Considerable public and private resources to support priority city-level climate actions are in the pipeline. The Project's 'Basket of Solutions' framework has helped inform the Disbursement Linked Incentives of a World Bank loan programme currently being formulated in Tamil Nadu. Reviewers did not find any signs that Project grants are dampening local efforts to mobilize market-rate credits.

The Project has begun to achieve more far-reaching impacts, including, as reported by the implementing agencies, reduced annual GHG emissions from four of the Project cities of Rajkot, Coimbatore, Siliguri & Udaipur. Moreover, in their approaches to climate action planning, several of the Project cities show signs of 'transformational change' from business-as-usual. For example, in Coimbatore, the magnitude of the scale-up in waste-to-energy from a 1.5 TPD pilot biogas plant to a 200 TPD plant, and the even more ambitious climate plans under discussion in the city, signal that transformative thinking has taken hold.

The reviewers have recommended focusing the project's efforts on consolidating the project's tools and methodologies, completing all the outputs identified in the project's logframe and working on the post project sustainability as defined under the "end of project vision" outlined in the project document. The reviewers have suggested key (nonexclusive) options for a new project in the area of urban climate change taking into account their advantages and challenges in the Indian context, while bearing in mind international best practices as well as SDC India's position in the institutional landscape and comparative advantages.

With regard to overall project management, the reviewers observe that while the Project Steering Committee seems to have functioned well, certain internal procedures of the Project Advisory Committee could be streamlined to yield further efficiencies.

Out of the 13 key recommendations on **(CapaCITIES) Project, Phase 2,** 11 are 'fully agreed' (green), and 2 are 'partially agreed' (orange) – see table below. The SDC agrees to seize this opportunity to improve its results by taking specific measures in line with the recommendations.

1. Focus implementation energies on completing Outputs and achieving Outcomes per the Project's Logical Framework	
2. Develop and execute a Project Close-out / Sustainability Plan which includes a definitive, cross-outcome area shortlist of the Project's key capacity-building and decision-support tools.	
3. Help Project cities complete pending sub-steps of the climate action planning methodology	

4. Strengthen the forthcoming final batch of climate action plans in the eight Project cities	
5. Undertake targeted dissemination, outreach and discussions around the final climate action plans and planning processes	
6. Encourage and support all Project cities to obtain the 'badges' offered by the Global Covenant of Mayors for Climate and Energy for which they qualify	
7. Help cities establish direct, ongoing relations with local researchers and academicians who could help generate a local base of scientific knowledge about climate change	
8. Encourage and support participating cities to convert their internal Climate Core Teams and/or external Stakeholder Committees, set up for Project purposes, into standing coordination and advisory bodies	
9. Undertake a final round of capacity-building on the climate action planning process	
10 (a) Nudge co-financing agreements with public and private sector sources of finance. (b) Finalize city-level bankable assessment reports and procurement documents under development. (c) Finalize state-level innovative financing reports under development. (d) Finalize sectoral toolkits and a training module on supporting cities to access carbon finance that are under development. Per an NIUA request, package such materials in 'capsules'. (e) Provide trainings and disseminations at city, state and national levels using those materials.	
11 Deliver pending Outcome 3: Enhanced knowledge on accelerating city climate action at the national and global level outputs in a holistic manner, in coordination with the other Outcome areas	
12 Continue to feed learnings from CapaCITIES into national level guidelines and strategies	
13 Contribute a short thought piece as an input to SDC's forthcoming new Guidance Note on Climate, Disaster Risk Reduction and the Environment	

Fully agree	Partially agree	Disagree

Overview of recommendations, management response and measures

Recommendation 1		
Focus implementation energies on completing Outputs and achieving Outcomes per the Project's Logical Framework		
Management response		
Fully agree	**Partially agree**	Disagree
The IAs are on track towards completing pending project outputs and outcomes as per the project's logframe. They submit regularly (during Steering Committee meetings) a revised activity plan.		

Although the IAs will focus on the completion of activities in India, opportunities for regional and global outreach may be considered if those are particularly relevant and resource-effective. SDC does agree that further project advisory groups are not required at that stage of the current project		
Measures	Responsibility	Timing
1. Complete remaining outputs as per the logframe and activity plans submitted and discussed with the IA.	ICLEI/IA	Dec 2023

Recommendation 2		
Develop and execute a Project Close-out / Sustainability Plan which includes a definitive, cross-outcome area shortlist of the Project's key capacity-building and decision-support tools.		
Management response		
Fully agree	Partially agree	Disagree
IAs will be asked to identify pending items from the CapaCITIES Logical Framework, and then assemble and sequence corresponding activities into a coherent close-out package and present and discuss it during the SCM. Potential deviations from the logframe may be discussed and submitted for approval during the SCM. Additional measures that could improve the sustainability of the project outputs and outcomes should also be discussed and added as appropriate and submitted to SDC by 30th September 2023		
Measures	Responsibility	Timing
1. Design a way forward to mainstream implementation of climate action plans by integrating them into institutional and governance frameworks at national, state and local level.	ICLEI	Dec 2023
2. Incorporating planning and 'access to finance' considerations as possible into state and national-level guidelines	South Pole/IA	Dec 2023
3. Co-organize (with NIUA and its networks) a 'training of trainers/best practices workshop for selected training institutions.	IA	Dec 2023
4. Complete the CRCAP methodology document with all the toolkits.	IA	Dec 2023
5. Agreeing to a common formatting, branding & packaging of materials and making tools available on NIUA and project websites	IA	Dec 2023

Recommendation 3		
Help Project cities complete pending sub-steps of the climate action planning methodology		
Management response		
Fully agree	Partially agree	Disagree
Climate Action Planning methodology – which has been revised for the second phase – is central to the project and must be followed by the cities: specific emphasis will be put on the completion of sub-steps. In some cases, the city officials may require additional		

support or training. Therefore, in addition to assessing the current staff's capacities and training needs as brought out in the evaluation report, IAs may be requested to organize additional trainings and support measures, and workshops should contribute to achieve the desired objective.		
Measures	Responsibility	Timing
1. (i) Assessing current staff training needs, (ii) more thoroughly documenting Municipal Corporation (MC) budgetary investment in climate action and (iii) reflecting with stakeholders on the strengths and limitations of the existing plan.	ICLEI/IA	Dec 2023
2. Conduct training on climate action planning and preparation of sector-specific bankable projects	IA	Dec 2023
3. Organize workshops to enable-peer learning from project outcomes	IA	Dec 2023

Recommendation 4		
Strengthen the forthcoming final batch of climate action plans in the eight Project cities		
Management response		
Fully agree	Partially agree	Disagree
City action plans are the key instrument of this project, notably as an output demonstrating that the approach, methodology, capacity building are functioning; as a programmatic tool to orient future climate action, financing, etc.; and as a dissemination tool to illustrate best practices. Strong climate action plans are therefore an essential requirement and a priority of this project, and recommendations that concur to this objective should be adopted. On this matter, SDC agrees that Climate plans that still need to be finalised will be linked to State Action Plans on Climate Change (SAPCC) in terms of measures, targets and financing, while SAPCC in Tamil Nadu and Gujarat should include references to urban development and the Climate Resilient Cities Action Plans. Further, the adoption of Ahmedabad's climate action plan by C40 would also contribute to the validation of the plan (and methodology). While the final CRCAP of Ahmedabad has been shared with C40, C40 requirements can only be included in the final version if approved by Ahmedabad Municipal Corporation (AMC). Soft measures (such as setting up zero waste wards relying on community involvement) are to some extent included into the plan and solutions. However, new solutions will not be proposed at that stage: these can be further reinforced in a next intervention. Finally, this project has been poverty and livelihoods relevant (e.g. testing of PV integration in social housing, composting at wards level, e-rickshaws schemes, etc.), but the focus has been on climate vulnerability rather poverty and livelihoods per se. A poverty and livelihoods focus could be integrated in a subsequent intervention, if applicable.		
Measures	Responsibility	Timing
1. Document more explicitly existing adaptation actions in vulnerable areas, quantify adaptation co-benefits when possible, focus on soft measures and transformative actions (e.g. Green Mobility Zone in Udaipur).	ICLEI	Dec 2023
2. Strengthen implementation and monitoring processes by capacity building and help in setting up facilitative systems	ICLEI	Dec 2023

3.	Establish cross-linkage with the State Action Plans on Climate Change	ICLEI	Dec 2023
4.	In Ahmedabad, support the MC in finalizing its climate action plan in a way that meets the criteria of C40 (to the extent possible), while keeping the dialogue open with C40.	ICLEI	Dec 2023

Recommendation 5			
Undertake targeted dissemination, outreach and discussions around the final climate action plans and planning processes			
Management response			
Fully agree	Partially agree	Disagree	
Dissemination and outreach have constantly been emphasised during project implementation through targeted events (COP, Daring Cities, U20, etc.), workshops or ad-hoc meetings with potential financial contributors. Such efforts will be pursued during the final stages of the project, in close cooperation with city and state governments. To further enhance ownership by the city government (municipalities etc.) and national government, periodic exchanges between SDC, IAs and government authorities, notably MoHUA with whom direct dialogue will be sought, can be organized to ensure ownership of the project outputs and outcomes. Capitalisation and dissemination should build on the experience and best practices of partner cities, and build on their active participation.			
Measures		Responsibility	Timing
1.	Dissemination of city action plans with concerned stakeholders in cities through City Dialogues e.g. Stakeholders Committees, national government partners such as MoHUA and potential funding agencies such as World Bank, ADB, Agence Française de Développement (AFD), KFW	IA	Dec 2023
2.	Transition plan for project website to either NIUA or ICLEI including transfer of relevant data/information after the project period	IA	Dec 2023
3.	A structured exchange will be organized with NIUA to maximize dissemination and adoption of the CRCAP methodology, Basket of Solutions (BoS) and best practices developed through the project	IA	Dec 2023

Recommendation 6		
Encourage and support all Project cities to obtain the ‘badges’ offered by the Global Covenant of Mayors for Climate and Energy for which they qualify		
Management response		
Fully agree	Partially agree	Disagree
Badges serve as global recognition of the added value of the project and support dissemination. All but one cities have received at least one badge. The project will encourage cities to apply for further recognition.		

Recommendation 7		
Help cities establish direct, ongoing relations with local researchers and academicians who could help generate a local base of scientific knowledge about climate change.		
Management response		
Fully agree	Partially agree	**Disagree**
Establishing such relations with researchers and academics and harnessing locally available expertise has been part of the project, notably through their direct involvement in pilot projects to help generate a local base of scientific knowledge about climate change. Discussions with experts from IIT Chennai, Anna University, CEPT, Climate Change Department of University of Gujarat, TNIUS were conducted/ongoing. Cities are already working with these institutions: e.g. Rajkot with CEPT, Tirunelveli with Anna University and in some cases their staff are in the city stakeholder committee, such as CEPT staff in Ahmedabad stakeholder committee. Further linking to local researchers could be very useful for the cities and cities are encouraged to do so. However, no further activity on this are planned at this stage. However, the point is well taken as enhanced capacities of local institutions can help ensure sustainability of project interventions. This will be further considered in the design of the next intervention.		

Recommendation 8		
Encourage and support participating cities to convert their internal Climate Core Teams and/or external Stakeholder Committees, set up for ad-hoc Project purposes, into standing coordination and advisory bodies.		
Management response		
Fully agree	**Partially agree**	Disagree
Converting Cities internal Climate Core Teams and external Stakeholder Committee set up for the project into “permanent” coordination and advisory bodies is indeed essential if current action plans are to be implemented and developed, pilots scaled up, and future plans elaborated. This is indeed the key element to ensure that project outcomes are sustainable, and climate is mainstreamed into urban planning. Cities such as Rajkot have been successful at setting and maintaining such committees thanks to the active involvement of the Commissioner to set up processes for department heads to oversee climate action plan implementation and reporting and at allocating budgets to support these processes. This should be presented as a successful case study. While each city may adopt a different mechanism to ensure sustainability, the Commissioner may be requested to define a system to guide the implementation of city action plans and identify budgetary resources for the same. The institutionalisation of such committees and processes at the city level may remain a challenge, which will require additional reflections, State’s support, capacity building through NIUA, institutional measures, and potentially further support (new intervention, if applicable), especially in 2nd phase cities.		

Measures		Responsibility	Timing
1.	Engage with the IAs and state and city partners at the highest level and explore a mechanism to institutionalise the stakeholders’ committees e.g. through organizing training of trainers, revision of manuals	ICLEI/SDC	Dec 2023
2.	Engage in reflections with NIUA	ICLEI/SDC	Apr 2024

3.	Institutionalize climate action plans through mechanisms such as Municipal Council/Standing Committee approval for the CRCAPs and nudge city leaders to set up a regular monitoring and internal/external reporting process	ICLEI/IAs	Apr 2024

Recommendation 9			
Undertake a final round of capacity-building on the climate action planning process			
Management response			
Fully agree	Partially agree	**Disagree**	
This is agreed and as per the activity plan			
Measures		Responsibility	Timing
1.	Plan for multi-city or individual city trainings depending on the requirement and availability of human and financial resources.	IA	Dec 2023
2.	National-level capacity-building should occur via the NIUA.	IA	Dec 2023

Recommendation 10			
For enhanced access to financing: (a) Nudge co-financing agreements with public and private sector sources of finance. (b) Finalize city-level bankable assessment reports and procurement documents under development. (c) Finalize state-level innovative financing reports under development. (d) Finalize sectoral toolkits and a training module on supporting cities to access carbon finance that are under development. Per an NIUA request, package such materials in 'capsules'. (e) Provide trainings and disseminations at city, state and national levels using those materials. (f) Make arrangements to capture any last transactions (funds leveraged) that are finalized after the Project ends its on-the-ground activities.			
Management response			
Fully agree	Partially agree	Disagree	
With regard to specific financial recommendations, these will be strictly followed. With regard to training material, emphasis will be placed on developing and packaging these in a manner that corresponds to NIUA needs in order to ensure future use and dissemination of the training material. With regard to training, best practices have not always been followed as pointed out in the evaluation report (collecting expectations and participants feedbacks missing). These will have to be enforced in the coming trainings. Leveraging of funds should also be reported in the GPCCE's result framework for the corresponding period.			
Measures		Responsibility	Timing
1.	Execute each of the tasks suggested; Complete outputs under Outcome 2 on enhanced access to financing.	South Pole	Dec 2023

2.	IAs will be kindly required to report any additional funds leveraged after the end of the project, until the end of the SDC Office in New Delhi's reporting period (September 2024).	South Pole	Dec 2023

Recommendation 11			
Deliver pending Outcome 3 (Enhanced Knowledge) outputs in a holistic manner, in coordination with the other Outcome areas			
Management response			
Fully agree	Partially agree	Disagree	
This is to be completed as per the logframe.			
Measures		Responsibility	Timing
1.	Organize city level workshops on climate action planning and their financing in cities as per the activity plan	IAs	Dec 2023
2.	Organize a national level dialogue/national best practices workshop to highlight good practices in climate financing and climate actions	IAs	Dec 2023
3.	Organize a closure workshop in 2023/early 2024	IAs	Dec 2023/ Early 2024

Recommendation 12			
Continue to feed learnings from CapaCITIES into national level guidelines and strategies through urban planning committee and the National Institute of Disaster Management (NIDM)			
Management response			
Fully agree	Partially agree	Disagree	
As a member of the High-Level Committee on Urban Sector Policies, Capacity Building, Planning, Implementation and Governance under MoHUA, the director of ICLEI South Asia will keep on carrying the methodology, best practices and lessons learnt from the project to influence policies. SDC may initiate a dialogue with new partners such as NIDM if there is a specific demand on their behalf and added value is clearly established. Most of the dissemination will take place through NIUA, as previously exposed.			
Measures		Responsibility	Timing
1.	Engagement with NIDM to integrate climate resilience into urban planning guidelines	IAs	Dec 2023

Recommendation 13			
Contribute a short thought piece as an input to SDC's forthcoming new Guidance on Climate, Disaster Risk Reduction and the Environment			
Management response			
Fully agree	Partially agree	Disagree	
The experience gathered through CapaCities on the topic can indeed provide valuable inputs to the learnings of SDC and the CDE section, feeding into thematic integration briefs (e.g. Governance and Climate Change) and capitalization/dissemination (the			

whole-of-SDC Guidance on Climate, DRR and Environment may not be the right reference document). A contribution can be envisaged if valued and requested by the Headquarter.		
Measures	Responsibility	Timing
1. Prepare a (4-5 page maximum) paper reflecting on SDC's niche (globally or regionally) in the area of helping cities address climate change.		

The management would like to thank the review team for the successful completion of the external review of the **Capacity Building for Low Carbon and Climate Resilient Cities Development in India (CapaCITIES) Project, Phase 2.**

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