

Climate-Smart Agriculture Investment Plan Development Guide: From Concept to Action

This guide offers a blueprint for developing a climate-smart agriculture investment plan (CSAIP). A CSAIP is a strategic and comprehensive planning document detailing climate-smart agricultural development projects. The process of creating a CSAIP leverages diverse stakeholder knowledge and ideas when conducting a situation analysis, listing and prioritizing CSA investments options, and developing preliminary designs and guidance for monitoring project investments. The result is a suite of country-supported and scientifically vetted investments ready to present to potential investors.

WHY DEVELOP A CSAIP?

Climate change is producing warmer temperatures, greater weather variability, erratic rainfall patterns and extreme weather events more frequently. In developing countries, whose agricultural sectors tend to be rainfed, climate directly affects food security and livelihoods for hundreds of millions of smallholder farmers, with knock-on effects of weakening rural communities and the entire economy. Climate-smart agriculture (CSA) has emerged as an approach to improving and safeguarding agriculture under climate change. In Africa alone, 45% of countries (24 of 54) have named CSA as a response to the challenges faced by climate change in their initial nationally determined contributions (NDCs)¹ to the Paris Agreement of United National Framework Convention on Climate Change (UNFCCC). With the growing interest of investors and climate funds to invest in CSA, there is a keen need to design large bankable investments and comprehensive CSA programs.

WHAT IS A CSAIP?

A climate-smart agriculture investment plan is a strategic and comprehensive case for investing in agricultural development given climate change and variability. The highly stakeholder-engaged CSAIP development process

results in a suite of country-supported and scientifically vetted investments that are most likely to achieve national food security and climate targets summarizing (i) why CSA is important in the national situation; (ii) which project concepts would, if financially supported, best achieve the desired positive CSA outcomes; and (iii) a general framework for monitoring and evaluation (M&E) for CSA that supports and reinforces other national monitoring frameworks.

WHAT IS CLIMATE-SMART AGRICULTURE (CSA)?

CSA focuses on the three pillars of enhancing food security: (i) sustainably increasing production, (ii) enhancing resilience (adapting) to climate change, and (iii) mitigating greenhouse gas emissions, where possible and appropriate. CSA is not a set of practices; it is an approach to selecting and implementing agricultural practices, policies and services that are tailored to the context.

¹ FAO 2016

PHASE 1: Situation Analysis

Situation analysis is the first step toward CSA action. It provides a foundation of information and analyses providing critical information for presenting the context for CSA in the country, as well as key evidence that feeds into the subsequent steps of prioritizing a short list of investments, designing CSA project concepts and developing the CSAIP monitoring and evaluation framework.

ENGAGE:

A technical team of climate change, agricultural and economic modelers; institutional specialists; and CSA experts should be involved in assessing the country context, enabling environment and entry points for CSA.

ANALYZE:

The analysis and review of information in the situation analysis broadly categorized into analysis of: (i) policies/programs/strategies; (ii) agriculture, climate and economic context; and (iii) institutions and organizations. Climate impact assessment, macro-economic modeling², and among other analytical approaches are used.

DEVELOP:

This phase culminates in a long-list of more than 20 potential investments and an accompanying situation analysis that can be used throughout the program life cycle, including during CSAIP development, financing, implementation, reporting and M&E.

² <https://www.ifpri.org/program/impact-model>

Phase 1 Situation Analysis

- **Engage** key stakeholders and technical specialists in CSAIP process
- **Analyze** situation, including stakeholders, policy barriers and opportunities, current agricultural practices, climate change, economic trends, climate impact modeling, and agro-ecological context for climate-smart agriculture. A CSA Country Profile, if previously developed, can provide valuable input in this phase.
- **Develop** a situation analysis and identify a long list of potential climate-smart agriculture investment opportunities

Phase 2 Prioritizing Investments

- **Engage** workshop participants, including key stakeholders, reviewers, and technical staff
- **Analyze** criteria and indicators for each of the potential investment in the long list (from the Situation Analysis)
- **Develop** shortlisted potential investments by applying selected criteria through stakeholder and decision-maker engagement

Phase 3 Project Concepts

- **Engage** key stakeholders, value chain actors, reviewers, and technical staff
- **Analyze** potential development outcomes, number of beneficiaries, project components, institutional implementation arrangements, climate-smart appraisal, and economic costs/benefits for each short list projects
- **Develop** project concept notes to form a portfolios for investment Concept note documents

Phase 4 Identify Monitoring and Evaluation Elements

- **Engage** reviewers in reviewing and revising the following outputs
- **Analyze** theory of change and proposed development objective for each investment
- **Develop** unifying portfolio primary impact pathways and primary indicators

KEY TO SUCCESS:

Climate and agricultural analyses can be very complicated and difficult for decision-makers to interpret. It is important to simplify and present the results in ways that are easy to understand and have clear implications.

PHASE 2: Targeting and Prioritizing

The targeting and prioritizing phase uses the long-list and information developed in the situation to select a short-list of the highest-potential projects through stakeholder participatory evaluation process based on stakeholder defined and weighted criteria.

ENGAGE:

Key stakeholders are brought together from public, private and civil society, led by key decision-makers (e.g. government representatives) in a decision-making workshop to select a portfolio of investments.

ANALYZE:

Evidence from the situation analysis is used to assess the long-list of investments against stakeholder-selected criteria that should address potential impact of the project, likelihood of success and alignment with key development priorities.

DEVELOP:

The stakeholder engaged decision-making process results a: (i) short-list of 10–15 potential CSA projects; and (ii) a set of project evaluation criteria and their relative importance. The short-listed investments are analyzed further in the program design phase.

KEY TO SUCCESS:

A broad set of stakeholders, including investment champions (key informants) who have technical expertise and respect, provide critical information and help ensure that concepts match needs and are aligned with other ongoing opportunities.

PHASE 3: Project Concepts

The 10–15 short-listed investment ideas developed in the targeting and prioritization phase need to be further elaborated to discover complementarities and gaps in geographic scope, activities, target populations, participation, or priority commodities and value chains. The objective of project concepts phase is therefore to develop detailed project concepts from the short-listed CSA investments.

ENGAGE:

Given the scope of program design, diverse groups of stakeholders from a range of government institutions, NGOs, civil-society, and private sector provide a grounded view of potential investment success through an inclusive process that foster ownership over the individual investments and the CSAIP.

ANALYZE:

The design process compiles information main analyses that include a theory of change, defined project activities, potential project partners, estimate of the project budget, a climate smart appraisal and economic analysis.

DEVELOP:

A set of project concepts are developed that include: (i) project context and the proposed development objective (PDO), (ii) project components, (iii) the number of target beneficiaries, (iv) estimation of project budgets and (v) appraisal of investments for potential to increase productivity, improve resilience and reduce emissions.

KEY TO SUCCESS:

Investment performance should account for social and environmental risk to projects and be driven by the available data.

PHASE 4: Monitoring & Evaluation

Designing a monitoring and evaluation (M&E) strategy is an essential component of the CSAIP. The strategy reviews the assumptions of how change will occur (theory of change) and describes the evidence and information needed to implement results-based management, including, but not limited to: development of a results framework, selection of indicators and definition of M&E systems.

ENGAGE:

All potential users of the M&E systems or data including but not exclusively government institutions, NGOs, civil-society, and private sector need to be engaged to ensure the relevance of the information collected. Engagement can be completed through any combination of stakeholder workshops, focus group discussions, and bilateral meetings to collectively assess needs, interest and capacity for M&E.

ANALYZE:

The theory of change and proposed development objectives (from the prioritization phase) are jointly considered in order to identify the desired changes and the pathways to their objectives. Primary indicators are defined, based on project PDOs, results framework and other reporting national systems according to users' needs, components of results framework (table 1). In many cases, relevant indicator data are already being gathered as part of existing M&E systems. Thus, it is advisable to conduct an analysis of what information is being collected and where CSAIP M&E can complement and create mutually reinforcing structures and operations. Finally, the CSAIP process should evaluate the steps set out toward creating coherent M&E³. Analysis of which steps have already been achieved serves as the basis for the road map of sequential activities that needs to be implemented.

DEVELOP:

A full M&E system is not created during the CSAIP development process because it needs to be tailored to the investments funded. However, the CSAIP M&E outputs developed including identifying users and their needs, complementary systems, potential indicators, and can in some cases define institutional alignments for implementation, and/or conduct an assessment of the capacity of implementing partners lay the foundation to create a robust M&E system. These steps go a long way to developing an M&E system that can deliver the information needed for adaptive management and evidence-based decision-making in CSAIP implementation.

Example of M&E needs grouped by results framework domains

Domain	Indicator Need expressed	Group	Benefit
Inputs	No. of available CSA techniques	Government	Design locally-relevant solutions
	Percentage of budget for CSA	Government	Track climate finance
Activities	No. of CSA demonstration plots and extension officers	Research, government, NGOs	Track progress and capacity in CSA
	No. of CSA projects	Government, NGOs	Track progress in implementation
Outputs	Area under CSA	Research, government, NGOs	Results tracking and intervention design
	No. of farmers adopting CSA	Research, government, NGOs	Results tracking and intervention design
Population	Socioeconomic status of CSA farmers	Research, government, NGOs	Assess resilience, plan for upscaling
	Percentage of land/crop under CSA not affected under adverse weather	Government.	Track climate change resilience

³ Rosenstock et al. 2018. Monitoring, reporting and verification of climate-smart agriculture: Change of perspective, change of possibility? CCAFS Info Note.