

April 2024

What do we know about the effectiveness of results-based payment (RBP) interventions?

A synthesis of findings from the IEU evidence review on RBPs (2020)

- This [evidence review](#)¹ analyzed **428 studies** from both academic and grey literature, to assess the effectiveness of results-based payment (RBP) interventions across various sectors, with the aim to enhance their application in mitigation and adaptation.
- **RBPs** can be categorized into supply-side, demand-side, and hybrid incentives, targeting service providers, beneficiaries, or both.
- RBPs have shown effectiveness in various **sectors** such as health, education, climate finance, and energy, driving progress on social challenges.
- An Evidence Gap Map ([EGM](#)) was created to visualize the impacts of different RBP interventions on outcomes at the levels of beneficiaries, service providers, and investors/systems.
- The EGM showed that certain **RBP models**, such as vouchers, pay-for-performance, Payment for Ecosystem Services (PES), and Conditional Cash Transfers (CCTs), are well-researched.
- In contrast, there is less evidence available on grand challenges, impact bonds, Advance Market Commitments (AMCs), and pull mechanisms.
- The review also found that the use of RBP interventions and the outcomes they target exhibit **regional patterns**, with most studies coming from North America, East Asia and Pacific, sub-Saharan Africa, and Latin America and the Caribbean.
- South Asia, and particularly the Middle East and North Africa, had fewer studies.
- **Sector-wise**, the health sector accounted for nearly half of the evidence on RBP applications, followed by agriculture and forestry, and education.
- There was notably less evidence on RBPs in the energy sector.
- Additionally, an Intervention Heat Map ([IHM](#)) was developed to showcase the GCF financial commitments to RBPs in **15 projects** (listed on page 2), using the same framework as the EGM.
- In summary, RBPs are recognized as a potentially effective approach for advancing global climate goals, but the **evidence base varies** by intervention type, region, and sector, with some areas requiring further research and investment.
- **GCF** allocated funds using results-based modalities across various projects, and Payment for Ecosystem Services (PES) was predominantly used by the Fund, followed by Conditional Cash Transfers (CCTs)-, and voucher-based approaches. See page 2 for a list of GCF projects using results-based modalities that this evidence review considered.
- Specifically, the **GCF** projects targeted global emissions reductions using PES mechanisms, while CCT- and voucher-based approaches aimed at a broader range of sector-specific and socioeconomic outcomes.
- **GCF** has primarily focused on using Payment for Ecosystem Services (PES) mechanisms to target emissions reductions in its REDD+ pilot program, with less emphasis on other benefits.
- However, targeting co-benefits could enhance climate change adaptation capacity and long-term sustainability of climate solutions.
- There is potential for the **GCF** to support projects incentivizing service providers, particularly through Pay-for-Performance (P4P) approaches.
- Careful consideration of unintended consequences and prospective analysis of different incentive structures are crucial to ensure sustainable impacts and avoid potential setbacks in achieving environmental benefits.

¹ Meuth Alldredge, Josh, Emma De Roy, Elangthoko Mokgano, Peter Mwandri, Tulika Narayan, Martin Prowse, Jyotsna Puri, William Rafferty, Anu Rangarajan, and Faraz Usmani (2020). Evidence review on results-based payments: Evidence Gap Map and Intervention Heat Map. IEU learning paper, December 2020. Independent Evaluation Unit, Green Climate Fund. Songdo, South Korea.

Table. Overview of GCF projects using results-based modalities

| GCF PROJECT NUMBER | COUNTRY FOCUS | GCF FINANCIAL INSTRUMENT | RBP INTERVENTION TYPE | TOTAL GCF COMMITMENT (MILLIONS, USD) | RBP-ALLOCATED AMOUNT (MILLIONS, USD) |
|--------------------|---------------|--------------------------|-----------------------|--------------------------------------|--------------------------------------|
| FP019 | Ecuador | Grants | PES | 41.2 | 17.0 |
| FP062 | Paraguay | Grants | CCT | 25.1 | 2.4 |
| FP067 | Tajikistan | Grants | CCT | 9.3 | 1.6 |
| FP100 | Brazil | Results-Based Payment | PES | 96.5 | 94.1 |
| FP110 | Ecuador | Results-Based Payment | PES | 18.6 | 18.1 |
| FP117 | Lao PDR | Grants | PES | 17.8 | 4.1 |
| FP120 | Chile | Results-Based Payment | PES | 63.6 | 62.1 |
| FP121 | Paraguay | Results-Based Payment | PES | 50.0 | 48.8 |
| FP125 | Viet Nam | Grants | CCT/Voucher | 30.2 | 3.5 |
| FP130 | Indonesia | Results-Based Payment | PES | 103.8 | 101.3 |
| FP134 | Colombia | Results-Based Payment | PES | 28.2 | 27.5 |
| FP142 | Argentina | Results-Based Payment | PES | 82.0 | 80.0 |
| FP144 | Costa Rica | Results-Based Payment | PES | 54.1 | 52.8 |
| FP146 | Nicaragua | Senior Loans/ Grants | PES | 64.1 | 12.1 |
| SAP002 | Kyrgyzstan | Grants | CCT | 8.6 | 3.1 |

Notes: PES - Payment for Ecosystem Services; CCT - Conditional Cash Transfers
 15 projects using results-based modalities were approved by GCF between 2015 and 2020. Eight projects are part of the GCF's REDD+ RBP pilot programme, while the remaining were extracted from an internal GCF dataset. These projects do not represent the totality of the GCF's results-based commitments.

Source: Table 4, Meuth Alldredge, Josh, Emma De Roy, Elangtlhoko Mokgano, Peter Mwandri, Tulika Narayan, Martin Prowse, Jyotsna Puri, William Rafferty, Anu Rangarajan, and Faraz Usmani (2020). Evidence review on results-based payments: Evidence Gap Map and Intervention Heat Map. IEU learning paper, December 2020. Independent Evaluation Unit, Green Climate Fund. Songdo, South Korea.

For more information, [a 4-page summary and synthesis](#) of the evidence review is also available on the IEU website.

CONTACT THE IEU

Independent Evaluation Unit
 Green Climate Fund
 175, Art center-daero, Yeonsu-gu
 Incheon 22004
 Republic of Korea

☎ (+82) 032-458-6450
 ✉ ieu@gcfund.org
 🌐 ieu.greenclimate.fund



GREEN
 CLIMATE
 FUND

Independent
 Evaluation
 Unit

