



ADAPTATION FUND

AFB/EFC.1/3
May 12, 2010

Adaptation Fund Board
Ethics and Finance Committee
First Meeting
Bonn, June 14, 2010

Agenda item 3

AN APPROACH TO IMPLEMENTING RESULTS BASED MANAGEMENT - RBM

NOTE BY THE SECRETARIAT

The present document is a revised version of a document submitted to the Board at its ninth meeting as document AFB/B.9/7. As requested in the Board's decision B.9/3, the secretariat has revised the document in light of the discussions during the ninth Board meeting, and has also incorporated the comments submitted in writing by the Board. The newly proposed text was put into brackets.

I. BACKGROUND

1. At its eight meeting in November 2009, the Board considered the paper *Results-based management framework (RBM) for the Adaptation Fund*, contained in document AFB/B.8/8. The Board requested the secretariat to present a more detailed paper for its consideration at its ninth meeting, outlining a possible approach for RBM and evaluation. There was agreement that further attention be given to the development of RBM as specified in the operational policies and guidelines for Parties to access resources from the Adaptation Fund.

2. The Board highlighted that the RBM approach should be commensurate with the resources available. With this in mind, the implementation of an RBM approach could take place stepwise, applying the lessons learned by the Board in planning, monitoring and evaluation. The Board requested that reporting requirements be kept as simple as possible, and that the process be streamlined to include only a limited number of key indicators. The Board agreed to an RBM approach with the following components and asked the secretariat to:

- **Develop a Fund Strategic Results framework** with objectives and a **small set of measurable indicators** to measure achievement of results. Indicators can be quantitative or qualitative factors or variables that provide a simple and reliable means to measure achievement, or to reflect changes connected to an operation or activity [1. more emphasis should be given to quantitative indicators; or 2. all current indicators included in results framework are quantitative; Board might consider including some element of qualitative indicators (see Annex I)]
- **Design a Performance Monitoring and Reporting System.** The system should capture ongoing results through the collection and analysis of a small number of indicators that are timely, reliable, and cost-efficient.
- **Integrate Evaluation** into the project cycle as a key performance tool. Evaluations should be conducted at midterm and by project termination for all projects, at a minimum.
- **Integrate Learning and Knowledge Management (KM)** into the project cycle.
- **Define Roles and Uses of Performance Information** for accountability and knowledge generation and dissemination.
- **Include an indicative Budget** that follows a gradual approach to introducing RBM.

3. The approach to RBM outlined in this paper suggests concrete actions for each of these components and it builds on the operational policies and guidelines:

The Adaptation Fund shall finance concrete adaptation projects and programmes. A concrete adaptation project is defined as a set of activities aimed at addressing the adverse impacts of and risks posed by climate change. Adaptation projects can be implemented at the community, national, and transboundary level. Projects concern discrete activities with a collective objective(s) and concrete outcomes and outputs that are more narrowly defined in scope, space, and time. An adaptation programme is a process, a plan, or an approach for addressing climate change impacts that is broader than the scope of an individual project.

4. For the purpose of developing projects to support adaptation action, this paper follows the IPCC¹ and defines adaptation as follows:

Adaptation is the: adjustment in natural or human systems in response to actual or expected climatic stimuli or their effects, which moderates harm or exploits beneficial opportunities. Various types of adaptation can be distinguished, including anticipatory, autonomous, and planned adaptation. Planned adaptation is the result of a deliberate policy decision, based on an awareness that conditions have changed or are about to change and that action is required to return to, maintain, or achieve a desired state.

5. For the purposes of developing an RBM approach for the Fund, it is necessary to have a common understanding of vulnerability. In this paper, vulnerability is again in line with the IPCC:

The degree to which a system is susceptible to, and unable to cope with, the adverse affects of climate change, including climate variability and extremes. Vulnerability is a function of the character, magnitude and rate of climate change and variation to which a system is exposed, its sensitivity, and its adaptive capacity.

II. THE DRAFT STRATEGIC RESULTS FRAMEWORK

6. The success of the Fund's RBM approach depends on the strategic directions from the AFB, and on the strong capacity of the recipient country to monitor and report at the project level. As part of the strategic planning process, the *strategic results framework* is the basis for an RBM system. The framework will enable the Board to translate its mandate into tangible results to support ongoing planning, management and results monitoring and measurement. Further, it lays out objectives and priorities, supports the measurement of results, and helps demonstrate contributions to higher level goals, for example the CMP goals.

7. For the Fund, it is necessary to formulate the Strategic Objectives based on the already agreed upon strategic priorities:

SP1: Assist the developing country Parties to the Kyoto Protocol that are particularly vulnerable to the adverse effects of climate change in meeting the costs of adaptation

SP2: Finance concrete adaptation projects and programmes that are country driven and are based on the needs, views and priorities of eligible Parties

8. The Fund approach would focus on two main results areas: 1) Reducing vulnerability to the adverse impacts of climate change; and 2) Increasing adaptive capacity to cope with and address the adverse impacts of climate change. The results framework will include measures of adaptive capacity or resilience; of vulnerability and exposure, and measures of country participation. [The Board may consider including more detail on the strategic results framework, in order to make it a more effective monitoring tool and to guide country programmes to building effective monitoring frameworks. The Board should consider developing a stronger connection to the *Theory of Change*² to define what the Fund is aiming to achieve. For example for the

¹ IPCC, 2007: Climate Change 2007: Impacts, Adaptation and Vulnerability. Contribution of Working Group II to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change. Appendix I: Glossary.

² A Theory of Change is a specific and measurable description of a social change initiative that forms the basis for strategic planning, on-going decision-making and evaluation (taken from <http://www.theoryofchange.org/background/basics.html>, accessed 5/9/2010).

broad results area, the Board should explicitly lay out what the Fund is doing and how its funding will impact different groups in society.]

9. The strategic results framework proposed for the Fund incorporates the above definitions of adaptation and vulnerability, identifies one high level goal and aligns objectives and appropriate indicators, all essential for utilization of resources, monitoring progress toward results and evaluating these results. Expected results are defined at outcome and output levels and are formulated so that they are measurable, verifiable, and relevant.

10. The results architecture for the Fund is framed as follows:

Goal: Support vulnerable developing countries that are *Parties to the Kyoto Protocol* to take own climate resilient measures.

Impact: Increased resiliency at country level to climate change, including climate variability.

Objective 1: Reduce vulnerability to the adverse impacts of climate change, including variability at local and national levels.

Objective 2: Increase adaptive capacity to respond to the impacts of climate change, including variability at local and national levels.

11. Outcomes are the main measure in an RBM framework that explains the intended changes in development conditions that result from projects activities. They are medium-term development results created through the delivery of outputs and the contributions of various partners and non-partners. Outcomes provide a clear vision of what has changed or will change globally or in a particular region, country or community within a period of time. They normally relate to changes in institutional performance or behavior among individuals or groups.

12. The full Strategic Results Framework is presented in Annex 1 to the present document.

Box 1: Key RBM Terms

The RBM terms used in this section are the harmonized terms of the UNDG, and are in line with the Organisation for Economic Co-operation and Development-Development Assistance Committee (OECD-DAC) definitions.

Results: Changes in a state or condition which derive from a cause-and-effect relationship. There are three types of such changes which can be set in motion by a development intervention – its output, outcome and impact.

Goal: The higher-order objective to which a development intervention is intended to contribute.

Impact: Positive and negative long-term effects on identifiable population groups produced by a development intervention. These effects can be economic, socio-cultural, institutional, environmental, technological or of other types.

Outcome: The intended or achieved short-term and medium-term effects of an intervention's outputs, usually requiring the collective effort of partners. Outcomes represent changes in development conditions which occur between the completion of outputs and the achievement of impact.

Outputs: The products and services which result from the completion of activities within a development intervention.

III. THE PERFORMANCE MONITORING AND REPORTING SYSTEM

13. The RBM approach operates at three main levels that are closely linked through shared objectives. The levels are:

- Project/Programme
- Country or Portfolio
- Organization/Fund

14. In the initial phase of implementing an RBM, the Fund should focus on project level and Fund level. Project level monitoring will be carried out by the entity implementing an actual project (the NIE or MIE). Fund level monitoring will be carried out by the secretariat under the direction of the Board. Actions at these two levels are described below.

Project level

15. Project level objectives should align with those outlined for the Fund. All projects will include a concrete and fully budgeted monitoring and evaluation (M&E) plan to be included in the final project document, submitted for approval. It is important that all plans include a description of organizational arrangements and a specific budget for monitoring, reporting, data management, lessons and learning, and evaluation. Main elements of the project level RBM system are described below.

Objectives and indicators

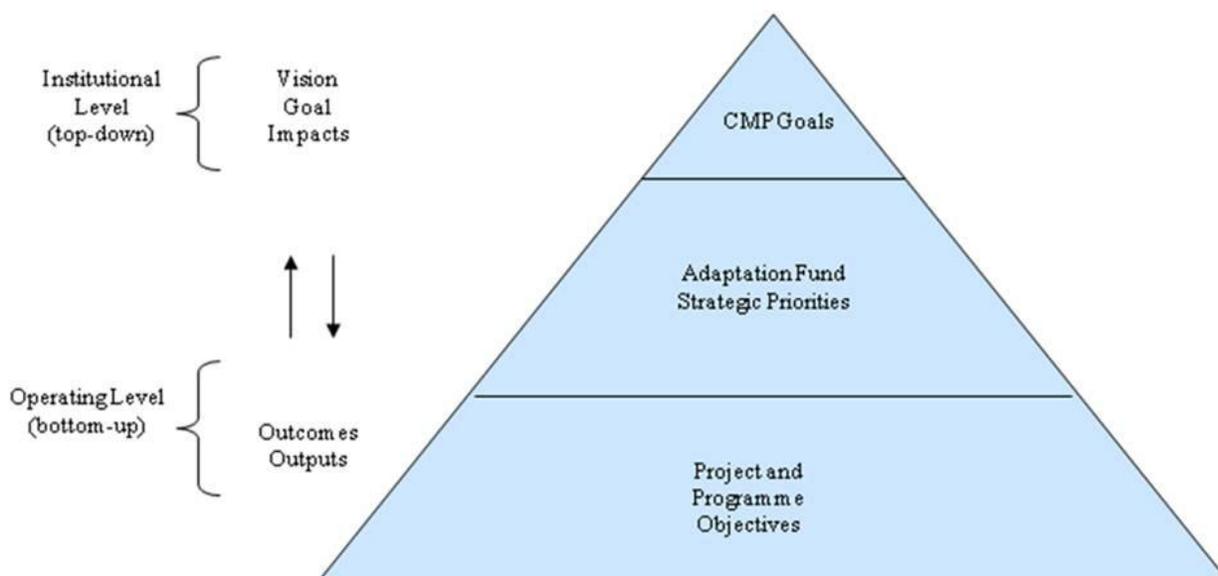
16. The Board agreed, inter alia, with their approval of the paper *Results Based Framework* in November 2009, that the results chain would provide a structured logic model that laid out aligned steps necessary to achieve the Fund's objectives (see page 3 above). Given the governing structure of the Fund and the project and programme- driven nature of the Fund operations, the RBM framework would combine a top-down with a bottom-up approach.

17. Projects would select a set of indicators that align with the indicators and objectives of the Fund. Project results frameworks would include only those core Fund-level indicators that appropriately reflect project objectives. In addition, project specific indicators would also be selected to reflect country specific objectives and reporting requirements. The Board would not aggregate these indicators, but rather track progress on achieving the project targets.

18. Each project will need to develop its own set of output and outcome indicators that link directly to the Fund level objectives laid out in Annex 1. [Once the strategic results framework is agreed upon by the Board, the framework should be attached to the project/programme proposal template.] Project level targets should also be included in the project log frame.

Baselines

19. The establishment of baselines is a critical component of the RBM framework. Every project will prepare a baseline and submit it with the project document. Baselines will draw on the information and data captured from the vulnerability assessment and used to design the project. The baseline would be a streamlined document, incorporating information from vulnerability and needs assessments, and existing secondary sources. The information would be strictly aligned with each selected indicator that the project would be responsible for tracking. It is important that the baseline is completed by the start of the project in order to be able to accurately measure any change and the contribution to that change during the life of the project. [Board may consider requesting the secretariat to develop a practical guide or manual on how projects baselines may be developed.]

Figure 1: Results Framework Structure*Reporting*

20. Monitoring can track the progress toward a set of benchmarks, and measure it towards outcomes, while evaluation validates results and can make overall judgments about why and to what extent the intended and unintended results were achieved (e.g., increased resilience, decreased vulnerability, improved cost-effectiveness). Reporting captures progress and results, and is an important accountability tool.

21. One means of capturing project level results is through an annual project performance report (PPR). Each project would submit a PPR on annual basis, once the project is approved and the first funds are allocated to the project. The PPR would capture progress toward achieving objectives and implementation efficiency and effectiveness.

*Fund Level**Tracking Fund level Efficiency and Effectiveness*

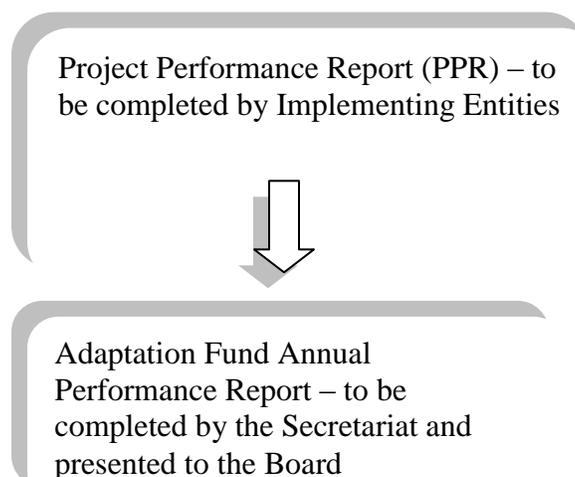
22. Fund efficiency and effectiveness monitoring, or process monitoring, will assist the Adaptation Fund Board to track Fund efficiency and effectiveness based on the indicators and targets listed in Annex 2 to the present document. Process monitoring is a useful management tool and will take place on an ongoing basis to track whether the Fund's portfolio is being implemented as intended, standards are being met, and resources are being used efficiently.

23. Indicators for Fund level processes will be tracked and reported annually. These indicators will take into consideration strategic relevance, role/contribution to the mandate of the Fund and relevance to the guidance of the CMP and Kyoto Protocol. Fund Process Monitoring will cover: (i) RBM issues, such as design of the baseline, baseline data collection and vulnerability assessment findings, and a project monitoring strategy with sufficient budget allocation; (ii) securing financing, financing mechanisms and efficiency of use; and (iii) project quality, including completion of vulnerability and risks assessments during project development.

Fund Monitoring and Reporting

24. Fund level portfolio outcome monitoring will occur on an annual basis to track progress towards reaching intended outcomes. The status of portfolio monitoring will be presented annually at the Board meetings, through an *Adaptation Fund Annual Performance Report* (AFAPR). Under the direction of the *Ethics and Finance Committee*, the secretariat will be responsible for preparing this report, which will be the principal instrument for reporting on active Fund projects. However, the secretariat will rely on the project level reports and M&E systems to generate project level results information, in order to aggregate and report on a small number of core outputs, progress towards outcomes, selected efficiency indicators and consolidated learning.

Figure 2: Components of Fund Level Reporting



25. With a standardized approach, the AFAPR will facilitate the aggregation of a few key outcomes and present Fund level results that *contribute to* the overall goal and objectives of the Fund. Guidelines will be developed to ensure the consistent monitoring of, inter alia, project implementation performance and progress, progress towards achievement of increased resilience/reduced vulnerability, and actions taken to achieve sustainability and replicability.

26. [In order to track progress toward results as well as to collect project information, the Board should consider moving forward with the development of a project database. The database should be web-based and fully accessible to recipient countries to maintain the transparency of the Adaptation Fund. The database needs to integrate fully the elements needed for proper monitoring of the funded projects. This would include the possibility for project managers to enter baseline data, milestones, targets, indicators etc. The development of the system should be fully coordinated with decisions about how performance will be measured.]

IV. INTEGRATION OF EVALUATION

Complementary Roles of Monitoring and Evaluation

27. Evaluation is defined by OECD/DAC as systematic and objective assessment of an ongoing or completed project, program, or policy, its design, implementation and results. The aim is to determine the relevance and fulfillment of objectives, development efficiency, effectiveness, impact and sustainability. An evaluation should provide information that is credible and useful,

enabling the incorporation of lessons learned into the decision-making process of both recipients and donors.

28. While monitoring is one of the key instruments of RBM, evaluation can be considered as the “reality check” on monitoring and RBM. Monitoring tells whether the organization, country/portfolio or project is on track to achieving the intended objectives. Evaluation provides information on whether the project or portfolio is on the right track. Evaluation also provides evidence on how changes are taking place, and the strengths and weaknesses of the design of the projects, program, or strategies. The following table compares monitoring and evaluation with respect to three key issues of concern to the Board.

Box 2: Monitoring vs. Evaluation

Monitoring	Evaluation
Ongoing or periodic	Episodic or Ad Hoc
Focus on progress towards intended results	Captures intended and unintended results
Does not answer casual questions	Can answer causal questions

29. Best practices on evaluation indicate that the evaluation function in international organizations should be implemented under the following principles:

Box 3: Principles for evaluation in international organizations



Immediate Evaluation Actions

30. The evaluation function should be developed gradually. However, two evaluation related tasks should be undertaken by the Board with high priority: 1) develop guidelines for terminal evaluations; and 2) prepare an evaluation framework.

Guidelines for Terminal Evaluations

31. The operational policies and guidelines for Parties to access resources from the Fund state:

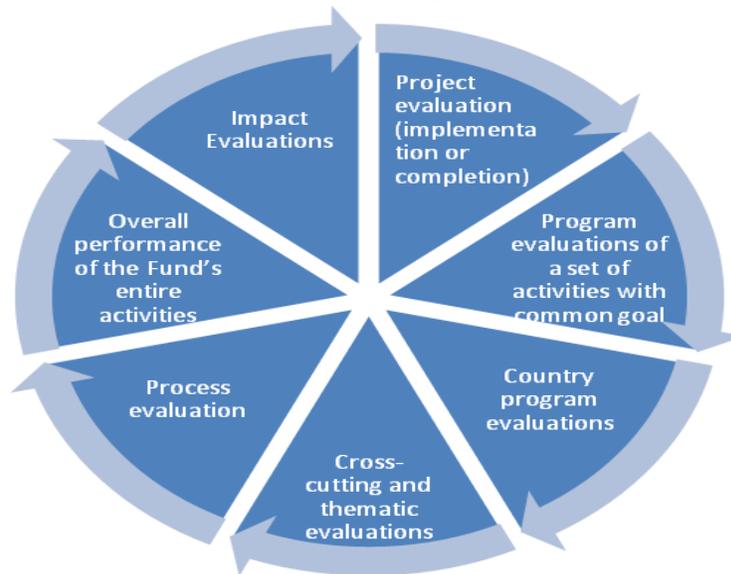
“All regular projects and programmes that complete implementation will be subject to terminal evaluation by an independent evaluator selected by the Implementing Entity. The Board reserves the right to submit small projects and programmes to terminal evaluation when deemed appropriate. Terminal evaluation reports will be submitted to the Board within a reasonable time after project termination, as stipulated in the project agreement”.

32. Since the Board is expected to begin approving projects in the next few months, there is some urgency to establish guidelines for terminal evaluations. Although these projects will not be completed for several years, it is considered best practice that terminal evaluations should be planned at the design stage. Furthermore, since there will be several implementing entities, there is a need to establish a common and standardized practice in reporting results so they can be aggregated at the Fund level. Projects should determine from the beginning how they will measure achievement of objectives and performance of the different participants, as well as how to identify lessons for future interventions.

Evaluation Framework

33. It is common practice in international organizations that evaluation policies and programs include different types of evaluations, as depicted in the diagram below. The Board will need to determine how these different types of evaluation can be combined to support the accountability, oversight and learning needs of the Fund.

Figure 3: Types of evaluation in international organizations



34. The development of an evaluation framework for the Fund should include a discussion of the overall objective and mission of the evaluation function (particularly determine the level of independence and reporting mechanisms), roles and responsibilities of the different Fund stakeholders, the types of evaluation and their frequencies, needs for capacity development within the recipients of funds and implementing entities to undertake evaluations, and needs for specific operational guidelines (terminal evaluation guidelines) and minimum requirements for projects (mid-term and terminal evaluations).

V. LEARNING AND KNOWLEDGE MANAGEMENT

35. Learning and Knowledge Management is a crucial aspect of RBM for adaptation, in particular providing the feedback on results in project design and strategy development. Current and relevant information will be essential for ensuring that the priorities of the Fund are correct and are driving project approval and resource allocation. In the early phase of the operations of the Fund, developing processes and providing tools and guidance to National Implementing Entities/Multilateral Implementing Entities (NIE/MIEs) is particularly important. It is recommended that the Secretariat document progress in establishing processes as the Fund becomes operational.

36. Emphasis would also be given to knowledge generation building on project level practice, experience and lessons. All projects will be required to produce a project specific set of lessons or learning products. Knowledge products can take many different forms, depending on the audience and their information needs. The Board should identify learning themes that are integrated in the design of all projects. For meaningful learning and knowledge sharing, knowledge products should be of high quality with a clearly identified audience and purpose, bearing in mind that products should be:

- Relevant to decision-making needs
- Timely
- Based on the evaluation information without any bias
- Developed through a participatory process and validated through a quality assurance process with relevant stakeholders
- Easily accessible to the target audience through most effective and efficient means
- Consistent in presentation of products to enhance visibility and learning

37. Dissemination and use are as important as the development of knowledge products. However, in the early stage of project development, the Fund should give more attention to knowledge generation. Later, an efficient system of dissemination will ensure that the target recipients receive the monitoring and evaluation feedback that is relevant to their specific needs.

VI. OVERVIEW OF KEY ROLES AND RESPONSIBILITIES

38. The Board, MIEs and NIEs and the secretariat all share key responsibilities in implementing RBM in support of the Fund's planning, monitoring and evaluation work.

39. **The Adaptation Fund Board** plays a central role in fostering an RBM culture. It leads the planning process and ensures that monitoring and evaluation takes place, specifying the level of rigor to be adhered to and the standards to be enforced. In addition to ensuring that all necessary M&E systems are in place, the Board provides Fund level guidance, as well as

quality support and assurance on issues related to planning and Fund monitoring. The Board will also authorize independent evaluations and approve standards, guidance on procedures, and quality assurance for project and programme evaluations.

40. **MIEs/NIEs** are directly responsible for project level monitoring, reporting and evaluation. Monitoring will be carried out on an ongoing basis and results will be reported to the Board through the PPR on an annual basis. A terminal evaluation will be completed for all projects, and projects over 3 years in duration would be required to have a mid-term evaluation as well. [The Board could consider making mid-term evaluations mandatory for all projects].

41. **The Adaptation Fund Board secretariat** will be responsible for the Fund level monitoring and will submit a consolidated annual performance report to the Board - *Adaptation Fund Annual Performance Report*. The secretariat will coordinate the annual performance reporting exercise, ensuring that a consistent and relevant approach is applied and that quality standards are met. It will also develop and maintain the RBM Fund level database.

VII. BUDGET IMPLICATIONS

Adaptation Fund RBM Budget Proposal

42. In addition to secretariat staff time for ongoing RBM functions, additional resources are required to support the implementation of RBM for the Adaptation Fund. This proposal requests a staff member to undertake ongoing monitoring, data analysis and reporting tasks, and consultancy funds to support specific start-up tasks including the development of a database, baseline standards and vulnerability and risk assessment standards. The budget also includes special knowledge management activities to support project implementation and monitoring. In addition, funds have been marked for annual monitoring/supervision/learning missions.

43. The budget is presented in Table 1 in Annex 3 to the present document.

VIII. RECOMMENDATIONS

44. The Board may wish to consider and adopt the approach outlined in the present document as a way forward to implementing RBM in the Fund. Specifically, the Board may wish to adopt the results frameworks provided in Annex 1 – Strategic Results Framework Adaptation Fund – and Annex 2 - Adaptation Fund Level Effectiveness and Efficiency Results Framework.

45. Further, the Board may wish to consider beginning work on the evaluation framework and guidance for terminal evaluations.

46. In order to support the full implementation of RBM, as outlined in this paper, the Board may wish to consider and adopt the proposed budget and activities as contained in Table 1 in Annex 3 of the present document. The Board may also wish to commission work for the development of a project database that includes elements to support RBM.

Annex 1 Strategic Results Framework Adaptation Fund

The following strategic results framework is an overarching framework whose intent is to establish more specific indicators at the national level.

Goal: Support vulnerable developing countries that are *Parties to the Kyoto Protocol* to take own climate resilient measures [assist developing country Parties to the Kyoto Protocol that are particularly vulnerable to the adverse effects of climate change in meeting the costs of concrete adaptation projects and programmes]

Impact: Increased resilience at country level to climate change, including climate variability.

Objective 1: Reduce vulnerability to the adverse impacts of climate change, including variability at local and national levels

Objective 2: Increase adaptive capacity to respond to the impacts of climate change, including variability at local and national levels.

[Board should consider combining the impact and the two objectives or make a clearer distinction among the three statements.]

Vulnerability is a function of a country's or community's exposure to climate related hazards, and the capacity to mitigate and cope with the impact of the hazards.³

Objective	Expected Outcomes and Indicators	Core Outputs (and Indicators)
<p>Objective 1: Reduce vulnerability to the adverse impacts of climate change, including variability at local and national levels</p>	<p>Outcome 1.1: Reduced exposure at national level to climate related hazards and threats Indicator 1.1.1 Relevant threat and hazard information generated and disseminated to stakeholders on a timely basis</p>	<p>Output 1.1. Risk and vulnerability assessments conducted and updated at national level Indicator 1.1.1.1 No. of projects that conduct and update risk and vulnerability assessments (by project types) Indicator 1.1.1.2 Early warning systems developed</p>
	<p>Outcome 1.2: Strengthened institutional capacity to reduce risks associated with climate-induced economic losses Indicator 1.2.1 No. of targeted institutions with increased capacity to minimize exposure to climate variability risks Indicator 1.2.2 Reduced number of people suffering losses from</p>	<p>Output 1.2 Strengthened capacity of national and regional centers and networks to rapidly respond to extreme weather events Indicator 1.2.1.1 No. of staff trained to respond to and mitigate impacts of climate related events Output 1.2 Targeted population groups covered by adequate risk reduction systems Indicator 1.2.2.2 Percentage of</p>

³ For the purposes of this paper, a hazard is the probability of a climate related incident to occur within a given area and timeframe. Risk is defined as the probability of that climate change, including variability, negatively impacting a country, community or household, as the result of the interaction between a hazard and conditions of vulnerability.

Objective	Expected Outcomes and Indicators	Core Outputs (and Indicators)
	extreme weather events	population covered by adequate risk reduction systems Indicator 1.2.2.3 No. of people affected by climate variability
	Outcome 1.3: Strengthened awareness and ownership of adaptation and climate risk reduction processes at local level Indicator 1.3.1 Percentage of targeted population aware of predicted adverse impacts of climate change, and of appropriate responses	Output 1.3. Targeted population groups participating in adaptation and risk reduction awareness activities Indicator 1.3.1.1 No. and type of risk reduction actions or strategies introduced at local level
Objective 2: Increase adaptive capacity to respond to the impacts of climate change, including variability at local and national level.	Outcome 2.2: Increased adaptive capacity within relevant development and natural resource sectors Indicator 2.2.1 Development sectors' services (health and social services) responsive to evolving needs from changing and variable climate Indicator 2.2.2 Physical infrastructure improved under climate change and variability-induced stress Outcome 2.3 Increased ecosystem resilience in response to climate change and variability-induced stress Indicator 2.3.1 Ecosystem services and natural assets maintained or improved under climate change and variability-induced stress	Output 2.2 and 2.3 Vulnerable physical, natural and social assets strengthened in response to climate change impacts, including variability Indicator 2.2.1.1 No. and type of health or social infrastructure developed or modified to respond to new conditions resulting from climate variability and change (by type) Indicator 2.2.1.2 No. of physical assets strengthened or constructed to withstand conditions resulting from climate variability and change (by asset types) Indicator 2.3.1.1 No. and type of natural resource assets created, maintained or improved to withstand conditions resulting from climate variability and change (by type of assets)
	Outcome 2.4: Diversified and strengthened livelihoods and sources of income for vulnerable people in targeted areas Indicator 2.4.1 Percentage of households and communities having more secure (increased) access to livelihood assets Indicator 2.4.2 Percentage of targeted population with sustained climate-resilient livelihoods	Output 2.4. Targeted individual and community livelihood strategies strengthened in relation to climate change impacts, including variability Indicator 2.4.1.1 No. and type of adaptation assets (physical as well as in terms of knowledge) created in support of individual or community livelihood strategies Indicator 2.4.1.2 No. of households with more secure access to livelihood assets

Further comments:

- i) [Indicators (for example, 1.2.2, 1.2.2.2, 1.2.2.3 etc) should be disaggregated by gender and wealth ranking, and could also include other parameters (ethnicity, religion, marginalized regions, etc)]
- ii) [Baselines, milestones and targets as well as a means of verification (i.e source of data), should be included in the results framework.
- iii) [More work should be carried out to clarify indicators at the Fund level, to ensure that the indicators are not open to misinterpretation; for example, in indicator 1.1.1 it is important to consider and define precisely what is meant by *relevant* and *timely*]
- iv) [Board may want to consider including some element of qualitative indicators. For example, Output 1.1.1 *Risk and vulnerability assessment conducted and updated at national level* has two appropriate indicators associated with it (*number of projects that conduct and update risk and vulnerability assessment and early warning systems developed*). However (and given capacity building is an important objective), an indicator that captures some element of the quality of the vulnerability assessment would ensure not only that they are being done, but that they are being done well and appropriately]
- v) [Board could consider including an outcome or output that captures increased M&E capacity]
- vi) [Board could consider both linking the elements of the results framework with national M&E systems, and ensuring that the question of vulnerability and climate adaptation is mainstreamed in the PRSP or other national development frameworks. As the overarching framework for the country programme, the results framework could consider including an output indicator that links with these systems – or at the very least encourages national frameworks to link their indicators with national indicators]

Annex 2
Adaptation Fund Level Effectiveness and Efficiency Results Framework

1. Secure Financing and Financing Mechanisms	1.1 – Increased and diversified resources	Target
	1.1.1 – Total value of CERs (US\$) [This indicator is out of control of Board, and therefore should not be included]	\$X Million
	1.1.2 – Conversations ratio of CERs (market conversion rate of credits to \$) [same as above comment]	
	1.1.3 – Number of bilateral donors	
	1.1.4 – Actual bilateral contributions	0 %
	1.2 – Efficient cost structure	Target
	1.2.1 – Secretariat costs against total Adaptation Fund resources - %	10 %
	1.2.2 – Project Implementing Entity fees against total Fund resources allocated	10 %
	1.2.3 – Executing Entity Cost against total project cost (minus fees)	10 %
	1.2.4 – Adaptation Fund management expenses as % of total expenditures	< 5 %
1.2.5 – Total disbursements vs. committed [If some projects receive resources in tranches, it would impact this indicator negatively – Board should consider eliminating or reflecting this fact.]	95 %	
2. Improve Efficiencies in Project Cycle	2.1 – Improved timeliness of program design	Target
	2.1.1 – Average response time to process complete proposals for project approval [Possible indicator to include here: “percent of projects/programmes screened by the secretariat in time (15 days target)"]	
	2.1.2 – Average time for extension of project closure date	

Annex 2

	[It was suggested to delete this indicator because of the wide range of problems that slow implementation might entail. The Board should also consider canceling projects that request extension.]	
3. Quality of Entry	3.1 – Quality of Entry	Target
	3.1 – Percent of projects aligned with country priorities, including NAPA priorities for the LDCs [Alternative suggestion: “percent of project/programme submissions that fulfill the documentation requirements”]	100 %
	3.2 – Percent of projects with baselines completed at project start up	100 %
	3.3 - % of project approved by the Board that were recommended by the PRRC	100 %
	3.4 – Percent of projects that include climate change risk and vulnerability assessments	100 %
4. Results Driven Implementation	4.1 – Fund Performance Rating	Target
	4.1.1 – Percentage of projects that have received good/satisfactory performance ratings	80 %
	4.1.2 – Percent of projects that are on track to reach stated results targets [It was suggested to keep only one of these, because they seem to overlap]	
	4.1.3 Number of NIEs that rate the Trust Fund Management as good/satisfactory.	
	[Board may consider including the following indicators as well: Percent of projects/programmes that have received good/satisfactory performance ratings at mid-term review; percent of projects/programmes that have received good/satisfactory performance ratings at terminal evaluation; number of suspended/canceled projects/programmes]	
	4.2 – Learning is part of project implementation	Target

Annex 2

	4.2.1 – Percent of projects with ongoing learning as reported in the project monitoring report	95 %
	4.3 – Efficient Reporting	Target
	4.3.1– Percent of project monitoring reports (PPR) submitted in complete form and meeting deadline	80 %

Annex 3

Table 1: Annual Budget – (Indicative) July 2010 – 2011

Budget Item	US\$
1. Ongoing performance monitoring	
Staff time – part time F level staff member for M&E per year	55,000
Subtotal	55,000
2. Periodic portfolio learning and monitoring	
Learning Missions – staff travel costs – 1 mission per year for 10 days – 2 people per mission per year Desk Reviews - consultant	20,000
Subtotal	20,000
3. Knowledge management (topics and consultants to be selected on a yearly basis)	
Data Base Development – E level consultancy 6 months (one time)	58,000
Consultancy to develop baseline standards	25,000
Consultancy to develop KM product; documenting Adaptation Fund process development	25,000
Subtotal	108,000
4. Preparation of Evaluation Framework	
Consultants**: 2 months	\$20,000
Senior Consultant**: 50 days @\$500 (evaluation framework and terminal evaluation guidelines)	\$25,000
Subtotal	\$45,000
Total	\$208,000

** The Adaptation Board would decide on the most cost effective way to procure the services needed: private consultants, universities, specialized institutes. The GEF Evaluation Office is available to provide support to the Board if requested.

Annex 4 RBM Terminology⁴

Impact - sometimes referred to as vision, goal, objective, longer term outcome, long- term result, ultimate outcome

Questions such as: What are we trying to achieve? Why are we working on this problem? What is our overall goal?

Outcome - first, positive result or immediate result, prerequisites, short and medium- term results

Questions such as: Where do we want to be in five years? What are the most immediate things we are trying to change? What are the things that must be in place first before we can achieve our goals and have an impact?

Output - interventions, programmes

Questions such as: What are the things that need to be produced or provided through projects or programmes for us to achieve our short- to medium-term results? What are the things that different stakeholders must provide?

Activities - actions

Questions such as: What needs to be done to produce these outputs?

Indicator - measure, performance measurement, performance standard

Questions such as: How will we know if we are on track to achieve what we have planned?

Means of verification - data sources, evidence

Questions such as: What precise information do we need to measure performance?

How will we obtain this information? How much will it cost?

Can the information be monitored?

S Specific: Impacts and outcomes and outputs must use change language— they must describe a specific future condition

M Measurable: Results, whether quantitative or qualitative, must have measurable indicators, making it possible to assess whether they were achieved or not

A Achievable: Results must be within the capacity of the partners to achieve

R Relevant: Results must make a contribution to selected country priorities

T Time- bound: Results are never open- ended

Outcomes

An outcome statement should ideally use a verb expressed in the past tense, such as 'improved', 'strengthened' or 'increased', in relation to a global, regional, national or local process or institution. An outcome should specify the result of Adaptation Fund efforts and that of other stakeholders for the people of that country.

Outcomes cannot normally be achieved by only one agency or funding source, and are not under the direct control of a project manager. Since outcomes occupy the middle ground between outputs and impact, it is possible to define outcomes with differing levels of ambition.

- An outcome statement should avoid phrases such as to assist/support/develop/monitor/ identify/follow up/prepare

⁴ Modified from UNDP Handbook RBM Handbook.

- Similarly, an outcome should not describe how it will be achieved and should avoid phrases such as “improved through” or “supported by means of.”
- An outcome should be measurable using indicators. It is important that the formulation of the outcome statement takes into account the need to measure progress in relation to the outcome and to verify when it has been achieved. The outcome should therefore be specific, measurable, achievable, relevant and time bound (SMART).
- Indicators should be selected based on 6 criteria: validity, reliability, sensitivity, simplicity, utility, affordability.
- An outcome statement should ideally communicate a change in institutional or individual behavior or quality of life for people—however modest that change may be.

Outputs

Outputs reflect an appropriate strategy for attaining the outcome, thus there should be a proper cause and effect relationship between output and outcome. Again outputs should be SMART—specific, measurable, achievable, relevant and time-bound. It is important to consider:

- Outputs must be deliverable within the respective programming cycle.
- Typically, more than one output is needed to obtain an outcome.
- If the result is mostly beyond the control or influence of the programme or project, it cannot be an output.
- Outputs generally include a **noun** that is qualified by a *verb* describing positive change. For example:
Study of environment-poverty linkages *completed*
National, participatory forum *convened* to discuss draft national adaptation policy

For further information, the following websites provide general overviews of RBM:

http://www.tbs-sct.gc.ca/rma/rbm-gar_e.asp

<http://www.adb.org/projects/rbm/about.asp>

<http://www.undg.org/?P=224>

Annex 4

Sample Evaluation Questions

These issues have been discussed recently in the evaluation and climate change adaptation communities⁵ and include:

- How would we know that a project supported by the Fund has been successful in reducing vulnerability or increasing adaptation capacity?
- What adaptation measures are supported for different sectors and at different scales?
- What are the existing methods and tools to evaluate adaptation measures closely linked to development investments (reduction of vulnerability to climate change for the infrastructure sector)?
- For those adaptation measures closely linked to development investments (reduction of vulnerability to climate change for the infrastructure sector), what existing methods and tools to evaluate those sectors should be considered? For example, indicators already included in the development projects should be adapted without creating new ones (improvements in capacity is regularly monitored and evaluated).
- When should the project be evaluated? Most likely evaluations will take place when the funding is finished, which is probably much too early since this will occur probably before the date of the targeted climate change scenarios and the expected impacts.
- How do we determine the achievement of objectives? There is still much uncertainty in climate scenarios, particularly at the local levels where most projects intervene, so there is additional complexity for determining achievement of objectives.

Given the complexity and many actors participating in projects dealing with adaptation to climate change, evaluations should concentrate on determining contribution of the Fund intervention rather than full attribution.

⁵ Evaluating Climate Change and Development, 2009. World Bank Series on Development, Volume 8 (Rob D. van den Berg and Osvaldo Feinstein, editors)

**Annex 5
Adaptation Fund project performance measurement form**

Title	Adaptation to Climate Change	No.		Project Manager	
Country/Region/ Institution		Budget		Duration	

EXPECTED RESULTS	INDICATORS	BASELINE DATA	TARGETS	DATA SOURCES	DATA COLLECTI ON METHODS	FREQUENCY	RESPONSIBILITY
GOAL (Long term)							
•	TBD	TBD	TBD	TBD	TBD	TBD	TBD
OUTCOMES (Medium term)							
•		TBD	TBD	TBD	TBD	TBD	TBD
•		TBD	TBD		TBD	TBD	TBD
•							
•							
•							
•							
•							
•							
•							
OUTPUTS							