



ADAPTATION FUND

AFB/EFC.12/4
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Adaptation Fund Board
Ethics and Finance Committee
Twelfth Meeting
Bonn, Germany, 1-2 July 2013

Agenda Item 6

**OPTIONS FOR AN OVERALL COMPREHENSIVE
EVALUATION OF THE ADAPTATION FUND
(PREPARED BY THE ADAPTATION FUND EVALUATION
FUNCTION)**

Background

1. At its March 2011 (thirteenth) meeting while considering the Evaluation Framework, the Adaptation Fund Board (the Board) decided that “an overall evaluation of the Fund should be conducted, but given that only one project is currently under implementation, the date of such an evaluation would be discussed during the seventh meeting of the EFC” (Decision B.13/20). At the April 2013 (twentieth) meeting the Board decided to “request the secretariat to prepare a document for the twelfth meeting of the EFC to inform the discussion of the overall evaluation of the Fund, covering options for the terms of reference, cost, and timing of an overall evaluation, as well as options for commissioning the evaluation. The secretariat should include in the document a schedule of expected mid-term and final evaluations of the projects/programmes from the portfolio as well as the implementation status of each project/programme; and (c) on the basis of the document in sub-paragraph (b) above, agree on the timing of an overall evaluation of the Adaptation Fund at the twenty-first meeting of the Board” (Decision B.20/14). This document presents such options to the EFC as requested by the BOARD.

Evaluation Framework

2. At the September 2011 (fifteenth) meeting the Board, per the recommendation of the Ethics and Finance Committee (EFC), decided to entrust the evaluation function of the Adaptation Fund (the Fund) to the GEF Evaluation Office for an interim period of three years (Decision B.15/23). The Board also decided to approve the Evaluation Framework contained in annex II to document AFD/EFC/6/4 with some changes. The final Evaluation Framework is available on the Adaptation Fund website under Publications (https://www.adaptation-fund.org/sites/default/files/Evaluation_framework.pdf). The purpose of the Evaluation Framework is to explain concepts, roles, and use of evaluation within the Adaptation Fund and to define the institutional framework and the responsibilities of different entities participating in the Fund. Specifically, it establishes requirements for how the Fund activities should be evaluated in line with international principles, norms and standards.

3. The Evaluation Function is responsible for developing an annual evaluation work programme and budget for approval by the Board as well as conducting evaluative work outlined in the approved work programme. This includes supporting all functions of the implementation of the Evaluation Framework through the three following functions and tasks:

- **Evaluative Function:** Independently evaluate the effectiveness of the Adaptation Fund supported projects and programmes as well as implementing agencies and report to the Adaptation Fund Board on lessons, findings, conclusions, and recommendations from relevant evaluation reports.
- **Advisory Function:** Set minimum evaluation standards within the Adaptation Fund in order to ensure improved and consistent measurement of results.
- **Oversight Function:** Provide quality control of the minimum evaluation requirements and their practice in the Adaptation Fund and track implementation of Board decisions related to evaluation recommendations. This includes providing support to the EFC and the Board in the implementation of the Evaluation Framework as well as supporting the secretariat in its efforts to incorporate findings and recommendations

of evaluations into policies, strategies and procedures, as well as in disseminating results and lessons through the Adaptation Fund website.

Overall Comprehensive Evaluations

4. An overall evaluation that assesses the overall performance, efficiency and effectiveness of an entire institution, organization, fund or programme is also known in international practice as a Comprehensive Evaluation (CE). Better known examples of CEs include the Independent External Evaluations of IFAD (2005), FAO (2007) and UNESCO (2011), the Five-Year Evaluation of the Global Fund (2009), and the series of Overall Performance Studies of the GEF (the 5th one is ongoing now). CEs are usually commissioned by the governing body and tend to be linked to reform and replenishments. In the last 10 years at least 17 international institutions have undertaken CEs at a cost of more than US\$ 30 million on average costing between US\$ 1-2 million. All CEs were intended to be independent, although arrangements to conduct the evaluations have varied. CEs are undertaken throughout the life cycle of agencies: the GEF for example had a comprehensive evaluation of its pilot phase, when results on the ground were still largely absent. CEs in the early phase of an organization tend to be less expensive than CEs in later phases.

5. Generally, CEs tend to be more complicated than regular programme, policy, thematic or portfolio evaluations. Current international best practice in CEs was discussed at a workshop in Paris in June 2012. Subsequently the GEF Evaluation Office launched the Comprehensive Evaluation Platform for Knowledge Exchange (CEPKE), a website (www.cepke.net) that provides an online interactive medium that promotes information sharing on ideas, best practices and methods for carrying out comprehensive evaluations in order to improve these evaluations and assist with institutional decision-making and donor relations. The following paragraphs provide some of the lessons emerging from the Paris workshop.

6. In the 1980's and 1990's CEs tended to be donor initiated and funded. Often they took the form of so-called "multi-donor evaluations" in which a consortium of donors would fund and manage the evaluation. Gradually governing bodies took more ownership and started to manage evaluations, although in many cases these governing bodies would continue to accept voluntary donor funding for the CEs. The last multi-donor implemented CE that was undertaken was the evaluation of WFP in 2005. This evaluation encountered follow-up problems when the governing body of WFP refused to consider many of its findings and recommendations as donor biased. This led to the disappearance of multi-donor executed evaluations. Several CEs after 2005 were donor funded; however, these CEs were managed by the governing body of the organization (IFAD, FAO, UNESCO, CGIAR, UNAIDS).

7. After the disappearance of multi-donor implemented CEs, the implementation took place by external teams of evaluators (hired through procurement processes) or by evaluation offices that are operationally independent of management. Where an evaluation office or the evaluation function was not fully independent, they still performed an important role in the (logistical) support of the external evaluation team. Where evaluation offices implemented the CE, quality assurance was made external, for example by appointing a high level advisory panel.

8. The crucial distinction between external and internal implementation has been whether the organization being evaluated has an independent evaluation function. If so, the independent evaluation function tends to be asked to do the CE. If not, the CE tends to be outsourced to an independent team of evaluators. In either case, the CE can be donor funded. The predominant choice for the internal independent evaluation function is based on a number of factors and reasoning, both pro and con:

- (a) An external team needs more time and funds to fully understand and assess the operation and achievements of the organization; they face a “learning curve” that an internal function should not have.
- (b) An external team may have a fresh perspective whereas an internal evaluation function, even if fully independent, may have a jaded perspective or have an established tradition of looking at issues.
- (c) An external team may provide more external credibility, especially if the independence of an internal evaluation function is not well established or not well known.
- (d) If the evaluation function of the organization is not well developed, and this modality for the CE is chosen because it was the only valid option, costs also tend to increase on more in-depth assessments of results and impacts.
- (e) Procurement processes for external teams tend to be complicated and add time to the overall length of the evaluation.
- (f) Management of an external team tends to be complicated for the governing body concerned; in the case of FAO separate funding of US\$ 1 million had to be found to enable the governing body to keep track of and manage the independent external evaluation of FAO.
- (g) Where a credible independent evaluation function exists, it seems a duplication to ensure an additional external structure to ensure an even more independent CE.

9. These issues can be incorporated into the planning of the evaluation to ameliorate negative points, for example through fine-tuning the terms of reference or ensuring that the quality assurance mechanism provides additional oversight on aspects. Furthermore, of specific interest to the Adaptation Fund would be CEs of relatively smaller organizations in the early phase of their existence. The CE of the pilot phase of the GEF has already been mentioned, but it is relatively old. Currently a CE of the CIFs of the multilateral banks is taking place, but the CIFs have a much larger funding scope than the Adaptation Fund. The LDCF and SCCF evaluations do not qualify as CEs as they are incorporated into the GEF and the evaluations did not need to “redo” governance, organizational and administrative aspects that were already included in the Overall Performance Studies of the GEF. Several global partnership programmes in the World Bank may provide relevant experience. One example that may provide more relevant experience is the recent comprehensive evaluation of the Forest Carbon Partnership Facility (2011).

Options for Conducting an Overall Comprehensive Evaluation of the Fund

10. This paper argues for a comprehensive evaluation for the Adaptation Fund as it is the best international practice to provide an overall perspective of the performance and achievements of the fund after it has operated for a number of years. It is a “stock-taking” of

issues in the Fund that could lead to recommendations for fine-tuning in the coming years. It would also provide an additional basis for accountability to member states and the relevant international forum. The timing seems right for a CE for the Adaptation Fund, which could perhaps target the December 2014 meetings of UNFCCC (related) bodies. It could play a role in discussions on resource mobilization.

11. Given the best practice of comprehensive evaluations the Board has two options for conducting an overall comprehensive evaluation of the Fund: 1) Board management of an external evaluation team (or consultancy firm) hired through a procurement process, or 2) a Board initiated CE implemented by the Evaluation Function of the Fund. For both options the Board can decide to accept voluntary donor contributions, or decide to fund the CE from Fund resources.

12. **Option 1:** Examples of Board managed comprehensive evaluations include the Five Year Evaluation of the Global Fund to Fight Aids, Tuberculosis and Malaria (2009), the UNAIDS second independent evaluation (2009), the Mid-term evaluation of the Education for All Fast Track Initiative (2010), the independent evaluation of UNESCO (2012) and the upcoming evaluation of the Global Partnership for Education (2014). With the exception of UNESCO all of these organizations do not have an independent evaluation function; in the case of UNESCO the independent evaluation function is relatively less independent than, for example, in the multilateral Banks, UNDP, and the GEF. The Five Year Evaluation of the Global Fund, the mid-term evaluation of the Fast Track Initiative and the upcoming CE of the Global Partnership for Education are CEs of relatively young funds.

13. With the exception of the UNESCO evaluation (which cost about US\$ 0.8 million), these evaluations have on average cost at least US\$ 2 million, with the Global Fund evaluation as an outlier costing more than US\$ 16 million. While these evaluations have tended to be well executed and regarded well in their respective evaluations, they have also suffered from the lack of integration of evaluation in the organization concerned.

14. The Evaluation Function can provide support to the Board to tender and award a contract, and during the implementation of the evaluation. More recently the Global Partnership for Education (GPE) has started up its independent comprehensive evaluation, with a tentative budget of US\$ 2.2 million, to be outsourced to a Steering Committee (established by the Board of GPE) and a team of evaluators. Another recent example is the independent joint evaluation of the Climate Investment Funds of the multilateral banks, which has a budget over US\$ 2 million and is taking about two years. The Evaluation Function of the Fund will look at more appropriate examples of smaller global programmes and funds that could be compared to the Adaptation Fund and that have recently had a CE. The initial assessment is that given the limited scope of the first comprehensive evaluation of the Adaptation Fund, a lower budget could and should be achieved, ranging from US\$ 0.4-0.7 million.

15. **Option 2:** The independent evaluation of the achievements and performance of the Adaptation Fund can be undertaken by its Evaluation Function. The GEF Evaluation Office, which provides the Evaluation Function to the Adaptation Fund, has extensive experience in conducting overall comprehensive evaluations and thus has a toolbox at its facility to address CE types of questions, plus the experience to use this toolbox. As an independent

evaluation function that reports directly to the GEF Council for its GEF related work, the Office has grown from outsourcing the Third Overall Performance Study (OPS3, 2005) to conducting the Fourth Overall Performance (OPS4, 2009). The cost of OPS4 was US\$ 2.2 million. Currently, the Office is undertaking OPS5 at a cost of US\$ 1 million less than OPS4. For option 2 the Evaluation Office should prepare a revised budget for the FY 2014 for Board approval, within the range of US\$ 0.3 - 0.6 million, depending on the key questions that need to be addressed. As Evaluation Function of the Adaptation Fund, the Office reports directly to the Adaptation Fund Board.

16. The evaluations of the LDCF and SCCF, conducted by the GEF Evaluation Office, are not considered comprehensive evaluations. These evaluations assessed the effectiveness of the funds on the ground. The LDCF and SCCF use the already established governance structure of the GEF which is evaluated in the Overall Performance Studies every four years to inform the replenishment process. The LDCF evaluation was jointly undertaken and co-funded with DANIDA.

17. The Evaluation Office would need to hire consultants to assist with the overall comprehensive evaluation of the Fund which is the case with all our evaluations. The Director of the Office as well as the Senior Evaluation Officer who will lead the team, have experience with the Fund.

18. For both options the Evaluation Office as the Evaluation Function of the Fund would provide support to the comprehensive evaluation and the secretariat would provide information needed by the evaluation. The cost for the Fund could be reduced during these difficult financial times by the possibility of donors funding the comprehensive evaluation through voluntary contributions, regardless of the option. An approach paper for the evaluation with input from the Board should be prepared. Subsequently, the terms of reference and a budget should be approved by the Board. This paper should include a quality assurance mechanism for the evaluation.

Elements for draft terms of reference for the overall comprehensive evaluation of the Fund

19. **Introduction.** The Adaptation Fund was created to fund adaptation projects in developing countries that are Parties to the Kyoto protocol. It was established at the Third session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), held in Bali, Indonesia from 3-14 December 2007. Parties in decision 1/CMP.3 decided to establish the Adaptation Fund Board as the operating entity to supervise and manage the Adaptation Fund, under the authority and guidance of the CMP. Upon invitation from Parties, the Global Environment Facility (GEF) provides secretariat services to the Board and the World Bank serves as trustee of the Adaptation Fund on an interim basis. In September 2011, the Board decided to entrust the GEF Evaluation Office with the Evaluation Function.

20. The Fund is financed with two percent of the proceeds from Certified Emission Reduction (CERs) issued for projects of the Clean Development Mechanism (CDM) and other sources of funding. Kyoto Protocol Parties are eligible to apply for funding through national, regional or multinational Implementing Entities. To become accredited,

Implementing Entities must meet the legal and fiduciary standards adopted by the Board. Of special interest is the Fund's promotion of direct access to funds by developing countries through accredited National Implementing Entities. Over the past two years, the fund has dedicated more than US\$ 180 million to increase climate resilience in 28 countries around the world. Currently 22 projects are ongoing (see annex, prepared by the secretariat, for expected mid-term and terminal evaluation dates).

21. **Evaluation Objectives and Key Areas of Interest.** The main objective of the overall comprehensive evaluation is to provide the Board with evaluative evidence on the progress towards the Fund's objectives as well as main achievements and lessons learned from the implementation of the Fund so far, and to provide recommendations on the way forward for the Fund. The evaluation therefore focuses on the overarching question:

What are the achievements of the Fund since it was established and what are the key lessons that can be drawn for the future?

22. The evaluation will target two levels: the fund level and the project level. At the fund level, the evaluation will focus on the Fund governance and management including the accreditation process of Implementing Entities and how the Fund has piloted direct access, and the financing of the Fund through proceeds from CERs and other sources. The overall evaluation of the Fund will assess the performance and achievements of the Fund using aggregated data along five standard evaluation criteria: relevance, efficiency, effectiveness, and results (outcomes and impact) and their sustainability. Within each of these, the evaluation will identify and focus on a set of key areas of interest. The key questions of the evaluation are:

- **Relevance:** How relevant is the Fund programming and its portfolio to the guidance of the CMP, and the adaptation to climate change of recipient countries' environmental and sustainable development agendas and programmes?
- **Efficiency:** How efficient is the Fund programming and its portfolio in reaching objectives and expected outcomes? How efficient is the governance and decision making in the Fund, and to what extent has the accreditation process of implementing entities met its objectives? How efficient is the Fund's project cycle and management of funds and resources?
- **Effectiveness:** How effective is the Fund programming and its portfolio in achieving expected outcomes or progress towards achieving expected outcomes and impact? How effective is the Fund as an international organization including providing direct access to funds by developing countries and the financing of the Fund through proceeds from CERs and other sources?
- **Results/Sustainability:** What are the positive and negative, foreseen or unforeseen effects produced by the Fund to this point, including results already achieved by the fund and its portfolio, and how sustainable are these results?

23. **Evaluation approaches.** Given the relative short history of the Fund the evaluation will consist of a mix of methods, tools and approaches, including: a literature review of background documents related to the Fund and adaptation; a portfolio review consisting of a

meta-evaluation¹ of existing evaluations and progress reports of projects, a portfolio data base analysis; and an assessment of CMP guidance. Data and information will be collected through interviews, project desk reviews, assessment of the M&E system, and site visits to projects and Implementing Entities. The assessment of the governance of the Fund and of the accreditation process will require an independent senior level expert. Existing evaluations, assessments and reviews, in particular, the Performance of the Secretariat and Trustee (AFB/B.16/Inf.6) and the Fiduciary Review of the Adaptation Fund (2010) will inform the evaluation. A consultation workshop with key stakeholders will be held to present key findings and to discuss preliminary recommendations. The evaluation methodology will be further elaborated in an approach paper for the evaluation.

24. **Quality assurance.** A quality assurance mechanism will be established for the overall comprehensive evaluation of the Fund. It could consist of two high level senior evaluation advisors and/or a reference group composed of internationally recognized evaluation experts from Implementing Entities. Advisors and reference groups would provide comments on key documents of the evaluation such as the approach paper and terms of reference, and drafts of the report.

25. **Timeframe.** The overall comprehensive evaluation of the Fund is expected to take 10 months. A tentative schedule is presented below. If option 1 is chosen, three months need to be added up front for the procurement process.

Months	1	2	3	4	5	6	7	8	9	10
Task										
Evaluation Design										
Approach Paper	■	■								
TORs		■	■							
Select Consultants			■	■						
Protocol Development				■	■					
Evaluation Context										
Literature Review	■	■	■							
Portfolio review			■							
Conventions Guidance			■	■						
Data Collection										
Interviews		■	■	■	■	■				
Project Desk Review				■	■	■				
M&E Systems Assessment		■	■	■						
Field Visits					■	■	■			
Analysis										
Data analysis						■	■			
Draft Report							■	■		
Consultation Workshop								■		
Report and presentation to the										

¹ A meta-evaluation is defined as an evaluation “designed to aggregate findings from a series of evaluations” by OECD/DAC Glossary of Key Terms and Results Based Management, p.27, Paris: OECD, 2002. A meta-evaluation can also refer to an evaluation of evaluations, which is not the meaning that is used here.

Board										
Final Document										
Presentation to the Board										
Dissemination										

Recommendation

26. This options paper has been prepared by staff of the GEF Evaluation Office in time of the GEF; we believe this is justified as adaptation is a crucial issue for the GEF as well. The Office is not able to perform the service of preparing this note as Evaluation Function of the Adaptation Fund, because the Board has blocked the budget of the Evaluation Function until the time that a terminal evaluation of a completed project would be available. We have proposed to the Board that ensuring an Evaluation Function at the Adaptation Fund requires preparatory work and should not wait until the first terminal evaluation is received. We hope that the Board will now unblock the previously approved budget.

27. The budget for the Evaluation Function should be available to the Function directly, rather than through the secretariat. This is in line with best international practice on ensuring the independence of the evaluation function. The Trustee can transfer any approved amount by the Board directly to a special account for the Evaluation Function, for which it will be fully accountable to the Board.

28. Having reviewed document AFB/EFC.12/4 the EFC may want to recommend to the Board to :

- (a) Approve option 2 and request the Evaluation Function of the Fund to prepare a detailed terms of reference and budget for the October 2013 (twenty-second) meeting, as well as an amendment of the FY 2014 budget approved for the Evaluation Function in April 2013 (twentieth) meeting to reflect this new activity.
- (b) Approve the disbursement of the US\$ 17,000 approved for the evaluation function as a part of the administrative budget (decision B.20/13) to start work on the overall comprehensive evaluation; and to prepare an amendment of the FY 2014 budget approved for the Evaluation Function to reflect this new activity.
- (c) Approve a direct transfer of the evaluation budget through the Trustee to the Evaluation Function for it to be able to independently carry out its work.

Annex I: Expected Mid-Term and Terminal Evaluation Dates

For the Fund's 22 projects currently under implementation, the following below provides the implementing entities' expected mid-term and terminal evaluation dates.

Country	Impl. Entity	Approval (Date)	Expected Project start (date)	Inception (Date)	Expected Mid-term evaluation (Date)	Expected Project End (Date)	Expected Final Evaluation (Date)
SENEGAL	CSE	9/17/2010	Oct-2010	1/21/2011	Oct-2011	Dec-2013	Mar-2014
HONDURAS	UNDP	9/17/2010	Mar-2011	6/27/2011	Mar-2013	Mar-2016	Apr-2016
NICARAGUA	UNDP	12/15/2010	Feb-2011	6/21/2011	Feb-2013	Feb-2015	Mar-2015
PAKISTAN	UNDP	12/15/2010	Jul-2011	11/15/2011	Jul-2014	Jun-2015	Mar-2015
ECUADOR	WFP	3/18/2011	Jul-2011	11/29/2011	Dec-2013	Jul-2016	Aug-2016
ERITREA	UNDP	3/18/2011	Mar-2011	11/6/2012	Aug-2013	Mar-2016	Mar-2016
SOLOMON ISLANDS	UNDP	3/18/2011	Jan-2011	6/28/2011	Jan-2013	Jan-2015	Jun-2015
MONGOLIA	UNDP	6/22/2011	Nov-2011	6/14/2012	May-2014	Jun-2017	Oct-2017
MALDIVES	UNDP	6/22/2011	Nov-2011	6/20/2012	Oct-2013	Oct-2015	Jul-2015
TURKMENISTAN	UNDP	6/22/2011	Jun-2011	5/22/2012	Jun-2013	Jun-2016	Sep-2016
MAURITIUS	UNDP	9/16/2011	Jan-2012	8/30/2012	Jan-2015	Jan-2017	Oct-2016
TANZANIA	UNEP	12/14/2011	Mar-2012	10/29/2012	Mar-2015	Mar-2017	Mar-2017
URUGUAY	ANII	12/14/2011	Jul-2012	10/22/2012	Nov-2014	Jun-2017	Sep-2017
SAMOA	UNDP	12/14/2011	Oct-2011	1/24/2013	Oct-2013	Oct-2015	Oct-2015
MADAGASCAR	UNEP	12/14/2011	Feb-2012	10/24/2012	Jul-2015	Feb-2017	Feb-2017
GEORGIA	UNDP	12/15/2011	Jan-2012	7/4/2012	Jan-2014	Jan-2016	Apr-2016
COOK ISLANDS	UNDP	12/15/2011	Oct-2011	7/4/2012	Oct-2014	Oct-2016	Dec-2016
COLOMBIA	UNDP	3/16/2012	Mar-2012	3/20/2013	Sep-2014	Dec-2016	Jul-2017
PAPA NEW GUINEA	UNDP	3/16/2012	Oct-2012	7/26/2012	Oct-2014	Oct-2016	Sep-2016
DJIBOUTI	UNDP	6/28/2012	Sep-2012	3/13/2013	Sep-2014	Sep-2017	Aug-2017
JAMAICA	PIOJ	6/28/2012	Sep-2012	11/2/2012	Mar-2014	Dec-2015	Mar-2016

Note: Table prepared by the secretariat.