



ADAPTATION FUND

AFB/EFC.12/7  
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Adaptation Fund Board  
Ethics and Finance Committee  
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Agenda Item 8

## RESULTS TRACKING

## Introduction

1. In June 2010, at the tenth meeting of the Adaptation Fund Board, the Board approved the *Strategic Results Framework for the Adaptation Fund* (Decision B.10/13). The results framework is structured around the overall objective *to reduce vulnerability and increase adaptive capacity to respond to the impacts of climate change, including variability at local and national levels*. The Fund-level framework includes seven key outcomes and associated outputs to facilitate aggregation and present Fund level results that *contribute to* the overall goal and objectives of the Fund.

2. With over two years of practice and an increasing demand for Fund-level results, it has become evident that the Fund would benefit from a modification to its approach for collecting results as well as examining ways to add impact-level indicators that a majority of the Fund's projects could report on. The ability to aggregate results and provide data on a portfolio level is important for the Fund to provide accurate information on performance, to demonstrate progress toward the Fund's stated goals, and to coordinate and streamline performance information. All of this will help the Fund in its drive for transparency and will aid in demonstrating value for money.

3. The present paper prepared by the secretariat puts forth a proposal for steps to be taken to improve the system currently in place and to add impact-level indicators. The steps proposed for improvement are not intended to add any additional burden to the implementing entities but rather to systematically and accurately compile data the entities are likely to have available.

## Current framework and results tracker

4. The Fund-level results framework includes seven key expected outcomes that cover a wide range of interventions from improved physical infrastructure and restored natural habitat to increased awareness and diversified livelihoods. The seven areas covered by the Fund's results framework include:

- a) Reduced exposure to climate-related hazards and threats;
- b) Strengthened institutional capacity to reduce risks associated with climate-induced economic losses;
- c) Strengthened awareness of adaptation and climate risk reduction processes;
- d) Increased adaptive capacity within relevant development and natural resource sectors;
- e) Increased ecosystem resilience in response to climate change and variability-induced stress;
- f) Diversified livelihoods and sources of income; and
- g) Improved policies and regulations that promote and enforce resilience measures.

5. The indicators selected and how they are measured is not always comparable across projects/programmes. Thus even if two projects/programmes are targeting similar outcomes, it becomes difficult to aggregate indicators across projects/programmes. As a first step to improve reporting, the secretariat proposes to adjust the indicators that fall under each of the key outcomes and their associated outputs to ensure they are all in units that can be aggregated (for example, figures should be reported in absolute terms versus relative terms).

6. A second step would be to place more emphasis on having an accurate results tracker submitted in the first Project/Programme Performance Report (PPR) submitted by implementing entities. The secretariat has found when screening the first PPR of a project that the results tracker is not always appropriately completed. Since baselines must be complete during the first

year of project/programme implementation, this is a critical point to have accurate indicators and targets set and reported on.

7. To undertake these two steps the following would be required: (i) a modified guidance document to project/programme proponents on how to select, measure, and report on key indicators;<sup>1</sup> (ii) a modified results tracker, in particular with regards to the units used; and (iii) a modified PPR screening process to ensure that the results tracker is being completed accurately.

### Core impact indicators

8. The secretariat has seen that although most of the projects/programmes approved to date align well with the seven key Fund-level outcomes, it is difficult to aggregate these indicators at the portfolio level. The diverse nature of the Fund's projects and programmes covering six different sectors and a myriad of activities on the ground makes it particularly challenging to provide aggregated quantitative results for the portfolio. This challenge has become more acute given the flexible nature of the Fund's results framework whereby project and programme proposals are only required to report on one Fund level outcome indicator.

9. The secretariat is proposing that the Board adopt 3-5 core impact level indicators that all projects/programmes must provide data on, if applicable. Examples of the type of impacts and potential indicators that would be possible include:

- a) *Reduction in vulnerability of communities and/or increased adaptive capacity of communities to respond to the impacts of climate change (Indicators: No. of direct beneficiaries; No. of early warning systems developed; )*
- b) *Increased ecosystem resilience in response to climate change induced stress (Indicators: km of coastline protected ; ha of restored natural habitats)*
- c) *Strengthened policies that integrate climate resilience strategies into local and national plans (Indicators: No. of policies introduced or adjusted to address climate change risks; No. of regulations that promote or enforce resilience measures)*

10. Every project/programme already identifies beneficiaries for the proposed intervention, however, in proposal documents these may be identified as entire communities, households, or individuals. To compare across projects/programmes or to aggregate, many assumptions must be made about size of households or population estimates of communities. If project/programme proponents were required to provide the Fund with an estimated number of direct beneficiaries, following a set definition, the Fund will be better able to aggregate across the portfolio. This is similar for all of the indicators above. By focusing on a few select quantitative indicators, these can be tracked and reported on at the portfolio level.

11. The Fund-level outcome and output indicators would still be used to analyze sub-sections of the portfolio or to undertake qualitative analysis. Implementing entities would be requested to submit data on the additional indicators but for many Implementing entities would be requested to submit data on the additional indicators. For most projects/programmes, this information should be available as part of fully developed proposals and verified during the first year of implementation.

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<sup>1</sup> This would be an abridged version of the 123 page *Results Framework and Baseline. Guidance* document available on the AF website (<https://www.adaptation-fund.org/sites/default/files/Results%20Framework%20and%20Baseline%20Guidance%20final%20compressed.pdf>) and would focus on what the Fund is asking for in practical terms.

**Next Steps**

12. To move forward the secretariat is proposing the following steps:
- a) Step 1: the secretariat will improve the current Fund-level results framework focusing mostly on units of measurement and methodology for measuring indicators.
  - b) Step 2: Based on changes to the Fund-level results framework, the secretariat will produce (i) a modified guidance document to project/programme proponents on how to select, measure, and report on key indicators; (ii) a modified results tracker, in particular with regards to the units used; and (iii) a modified PPR screening process to ensure that the results tracker is being completed accurately.
  - c) Step 3: The secretariat will develop a set of 3-5 core indicators and guidance on the definition and methodology for calculation for each indicator.
  - d) Step 4: The secretariat will circulate changes to the Fund-level results framework, results tracker, PPR screening process, and proposed core indicators to the Board for an intersessional decision. The secretariat is proposing to undertake this work intersessionally so that data can be collected from projects/programmes currently under implementation and included in the FY 2013 Annual Performance Report (APR 2013).

**Recommendation**

13. Having reviewed document AFB/EFC.12/7 the EFC may wish to request the Board to approve the secretariat's proposal for improving the Fund's results tracking system and requesting the secretariat to proceed with the steps outlined in paragraph 12 of the document.