



ADAPTATION FUND

Adaptation Fund Board

EVALUATION FRAMEWORK

Contents

Background 2

Governance..... 2

Results-based management (RBM), monitoring, and evaluation..... 3

Purpose 4

Overarching objectives 5

Definition of evaluation..... 5

Types and levels of evaluations..... 6

Project-Level Evaluations 6

Implementing Entities Level..... 7

Adaptation Fund Level..... 8

Disclosure of evaluations..... 9

Roles and responsibilities for evaluation..... 9

The Adaptation Fund Board 10

The Adaptation Fund Secretariat..... 10

The Evaluation Function of the Adaptation Fund..... 11

Ethics and Finance Committee 11

Implementing Entities 12

Project and Programme Review Committee..... 13

Accreditation Panel..... 13

Civil Society Organizations..... 13

Evaluation principles and criteria..... 13

Minimum Requirements 17

Project/Programme Mid-term Evaluations..... 17

Project/Programme Final Evaluations..... 18

Issues for further discussion when evaluating adaptation projects and programmes..... 18

 References to evaluation in Adaptation Fund Board documents 21

Background

The Adaptation Fund was established by the Parties to the UN Framework Convention on Climate Change (UNFCCC) at its seventh Conference of the Parties (Marrakech, Morocco, October 29 - November 10, 2001). The Fund is mandated to finance concrete adaptation projects and programmes in developing countries that are Parties to the Kyoto Protocol and to allow direct access to the Fund by those Parties. According to the Fund's Operational Policies and Guidelines, a concrete adaptation project is defined as a set of activities aimed at addressing the adverse impacts of, and risks posed by, climate change.

The total amount of funds to be made available for eligible developing-country Parties will depend on the market-based monetization of Certified Emission Reductions (CERs), which are the Fund's main source of revenue. A two percent share of the proceeds from Clean Development Mechanism (CDM) project activities would be used to finance the cost of adaptation.

Depending on the assumptions used, potential resources available to the Adaptation Fund up to the end of 2012 are estimated to be approximately US\$288.4 – 401.5 million.¹ As of December 2010, the fund had approximately US\$148 million available for funding projects. The Fund has approved four projects for a total of nearly US\$24 million, and endorsed nine project concepts amounting to almost US\$53 million.

Further and updated information about the Adaptation Fund can be found on its website: www.adaptation-fund.org. The Fund approach focuses on two main results areas: reducing vulnerability to the adverse impacts of climate change; and increasing adaptive capacity to cope with and address the adverse impacts of, climate change.

Governance

The operating entity of the Fund is the Adaptation Fund Board (the AF Board), serviced by a Secretariat and a Trustee. Parties invited the Global Environment Facility (GEF) to provide secretariat service (the secretariat) to the Board, and the World Bank to serve as the trustee (the Trustee) of the Fund, both on an interim basis. Further, the Board decided to entrust the evaluation function to the GEF Evaluation Office, for an interim three-year period. Decision 1/CMP.3 provides that one of the functions of the Adaptation Fund Board (the AF Board) is to establish committees, panels, and working groups, if required, to provide, inter alia, expert advice to assist in the performance of its functions.

At its fifth meeting, the AF Board set up two committees: the Ethics and Finance Committee and the Project and Programme Review Committee.²

¹ Financial status of the Adaptation Fund Trust Fund (AFB/EFC.3/7Rev.1).

² Report of the Fifth Adaptation Fund Board (AFB/B.5/10, Decision B.5/5 (May 2009)).

At its seventh meeting, the AF Board adopted fiduciary standards governing the use, disbursement, and reporting on funds issued by the Adaptation Fund covering three broad areas: Financial Integrity and Management; Institutional Capacity; and Transparency and Self-investigative Powers.³ In order to ensure that organizations receiving Adaptation Fund money meet the fiduciary standards, the Board has established an Accreditation Panel.⁴

Results-based management (RBM), monitoring, and evaluation

At its tenth meeting, the AF Board approved a Results-Based Management (RBM) framework and an approach to its implementation.⁵ The RBM includes a Strategic Results Framework which describes, at the Fund level, goals, expected impact, outcomes, and outputs, as well as indicators and targets. As part of the implementation plan, the AF Board requested that a monitoring and evaluation framework and guidelines for final evaluations be developed.

At the tenth meeting of the Adaptation Fund Board held in June 2010, AF Board members approved *An Approach to Implementing Results-Based Management – RBM (AFB/EFC.1/3/Rev.1)*. The Board highlighted that the RBM framework should also incorporate certain elements into a future evaluation framework:

- It should be commensurable with the resources available.
- It should be implemented stepwise, applying the lessons learned by the Board in planning, monitoring, and evaluation.
- Reporting requirements should be kept as simple as possible.
- There should be a limited number of indicators, both qualitative and quantitative, providing simple and reliable means to measure achievements and reporting performance, or to reflect changes connected to an operation or activity; indicators should be timely, reliable, and cost-efficient.
- Evaluation should be integrated into the project cycle (evaluations should be conducted at the end of project implementation).
- Learning and knowledge management should also be integrated into the project cycle.
- Roles and uses of performance information should be defined for accountability and knowledge generation and dissemination.

The Board decided to have three elements to the Fund's strategic directions, its performance monitoring and report system, and evaluation:

³ Report of the Seventh Adaptation Fund Board (AFB/B.7/13/Rev.1, Decision B.7/2 (October 2009).

⁴ Report of the Seventh Adaptation Fund Board (AFB/B.7/13/Rev.1, Decision B.7/3 (October 2009).

⁵ Report of the Tenth Adaptation Fund Board (AFB/B.10/7/Rev. 1, Decision B.10/13 (August 2010).

- *Results-based management*, which provides a sound framework for strategic planning and management by improving learning and accountability.⁶ An RBM aims to improve management effectiveness and accountability by defining realistic expected results and targets.
- *Monitoring*, which provides a way to present progress towards the achievement of expected results and targets. It integrates lessons learned into management decisions, reports on performance, and identifies whether the organization, country, portfolio, or project *is on track* to achieving the intended objectives.
- *Evaluation*, which provides information on whether the project or portfolio was *on the right track*. While monitoring is one of the key instruments of RBM, evaluation looks at monitoring and RBM with a critical eye to assess its validity, credibility, and reliability. Evaluation also provides evidence on how changes are taking place, and the strengths and weaknesses of the design of the projects, programmes, or corporate strategies embedded in the RBM. Therefore, the present document provides the evaluation framework for the Adaptation Fund and its activities.

In addition to the RBM document, the AF Board approved several other documents that are relevant to this framework since they provide guidance to an evaluation framework. In fact, the framework presented here provides a compendium of guidelines and requirements established by several documents approved by the Board with regards to evaluation. Annex 1 provides a table summarizing guidance and requirements regarding evaluation.

Purpose

The overall purpose of this 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 Fund activities should be evaluated in line with international principles, norms, and standards.

This framework does not address aspects of trustee management, financial, and managerial audit, or investigation mechanisms at the levels of the Fund, Implementing Entity or project/programme, which may be subject to other provisions of the Fund's bylaws. Furthermore, the framework does not deal with the capacity of Implementing Entities to do monitoring and evaluation, since this is covered within the accreditation process. The framework will be implemented by the Evaluation Function of the Adaptation Fund. According to international best

⁶ OECD-DAC Working Party on Aid Evaluation, 2001. Annette Binnendijk. Results Based-Management in the Development Co-operation Agencies: A Review of Experience, Background Report. <http://www.oecd.org/dataoecd/17/1/1886527.pdf>.

practices for multilateral funding institutions the Evaluation Function is established and implemented independent from the management of the institution.

The Evaluation Framework should remain in effect until and unless the Board decides otherwise. It should also be kept under review and updated to conform to the highest international principles, norms, and standards. Potentially, if the Fund Board decides, the Evaluation Framework and its implementation should be evaluated in three or four years.

Overarching objectives

Evaluation in the Adaptation Fund should promote the following overarching objectives, in accordance with international standards in evaluation:

- Accountability for the achievement of the Fund objectives through the assessment of results, effectiveness, processes, and performance of Fund-financed activities and their contribution to those objectives; and
- Learning, feedback, and knowledge-sharing on results and lessons learned among different groups participating in the Fund to improve ongoing and future activities and to support decision-making on policies, strategies, programme management, projects, and programmes.

Definition of evaluation

Evaluation, as defined in the internationally accepted glossary of evaluation terms of the OECD/DAC⁷, is a systematic and objective assessment of an ongoing or completed project, programme, or policy, including 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 evidence-based information that is independent, credible, reliable, and useful, enabling the timely incorporation of findings, recommendations, and lessons into decision-making processes. Evaluations are important sources of evidence of the achievement of results and institutional performance, and should contribute to knowledge and to organizational learning. Evaluation differs from other oversight mechanisms such as investigation and audit that focus on the adequacy of management controls; compliance with regulations, rules, and established policies; and the adequacy of organizational structures and processes.

⁷ OECD-DAC 2010. Glossary of Key Terms in Evaluation and Results-Based Management.

Types and levels of evaluations

Following initial recommendations from the Board, the Evaluation Framework proposed here includes a simple reporting system and takes into account the early stages of implementation of the Fund and its projects. There are three levels of evaluation that should be present in the Adaptation Fund:

Project-Level Evaluations

- **Mid-term Evaluations.** Projects and programmes that have more than four years of implementation will conduct a mid-term evaluation after completing the second year of implementation.⁸ This type of evaluation, conducted by an independent team of consultants, will critically assess the initial outputs and results of the project; this, in turn, will enable an assessment of the quality of programme implementation.

It is essential that this evaluation assesses the assumptions made during the preparation stage, particularly objectives and agreed upon indicators, as well as the current context of the implementation. The current context is especially crucial, as a change in socio-economic conditions can make the initial diagnosis that was the starting point for the implemented intervention, outdated. The results of this evaluation may contribute to certain modifications in the implementation of an intervention and to updating the adopted assumptions. Major changes to the objectives and expected outcomes of the project should be communicated to the AF Secretariat to decide if the project needs to be reassessed for eligibility and funding by the AF Board. Mid-term evaluations will follow minimum requirements presented below, as well as guidelines (forthcoming). Their cost should be covered by the project's monitoring and evaluation (M&E) plans.

- **Final Evaluations.** All projects will conduct evaluations after the end of their implementation (final evaluation). The evaluations will be undertaken independent of project/programme management, or if undertaken by project/programme management, will be reviewed by an independent evaluation unit of the Implementing Entity. Evaluations will assess, at a minimum, the following:
 - Achievements of project/programme outcomes;
 - Evaluation of risks to sustainability;
 - Processes influencing achievement of results, including financial management;

⁸ Many implementing agencies require mid-term reviews, even for projects with less than four years of implementation. The requirement of project/programme mid-term evaluation is different and additional. Mid-term reviews, a tool of project monitoring, use monitoring data to provide a snapshot of the progress towards achievement of pre-established indicators (measured in the baseline), for all inputs, outputs, activities, outcomes, and impacts. These monitoring data are analyzed and used to formulate recommendations for project continuation and possible recommendations for improved project performance and improvement of M&E. Mid-term reviews are not conducted independently from management, and do not intend to question if the proposed approach is the right one but rather to assess if the project is on track.

- How the project/programme has contributed to the achievement of the Fund's objectives; and
- An evaluation of the M&E systems.

Final evaluations will follow minimum requirements presented below, as well as guidelines (presented in a separate document). Their costs are covered in the project's M&E plans.

- The AF Board reserves the right to carry out **independent and external reviews** or evaluations of projects whenever it deems these necessary. These reviews and evaluations will be additional to the mid-term evaluations and final evaluations. The costs of these reviews will be covered by the Board itself.⁹
- Each project will produce financial audits according to the AF's legal agreement with the Implementing Entity.¹⁰ Guidance on how to conduct audits are not included in this framework but are provided elsewhere.

Implementing Entities Level

The Board reserves the right to evaluate the performance and effectiveness of Implementing Entities at any time while the Implementing Entity is accredited. These evaluations will be triggered by the Ethics and Finance Committee (EFC) following issues raised by the Secretariat or Evaluation Function, or upon the request from any Board member or alternate. The EFC will review the matter and decide on a plan of action, which could include one or several of the following actions:

- Request the involved entity to provide further information;
- Request the Evaluation Function to contract an independent evaluator to conduct further assessment of the situation;
- Request the Evaluation Function to contract an independent evaluator to conduct an evaluation of the entity's performance and/or effectiveness (all principles and evaluation criteria presented below should apply to this type of evaluations); or
- Dismiss the case.

The EFC will recommend to the Board a plan of action and the Board will make the final decision.

⁹ Operational Guidelines and Policies of the Adaptation Fund Board, approved through Decision B.7/2 at the seventh meeting of the Adaptation Fund Board, September 2009.

¹⁰ Audit is the verification of compliance of the use of resources (mostly financial) with the binding legal regulations and specific standards e.g. the rules governing the use of assistance. Information obtained from the audit can be used in evaluation for estimating efficiency of an intervention.

A minimum notification of three months will be given to an Implementing Entity if it has been identified by the Board as being the object of such a performance evaluation.¹¹ The evaluation report will be presented to the Board in an executive closed meeting, if considered appropriate, and the Board will make a decision on how to proceed.

Adaptation Fund Level

The EFC will develop specific procedures (presented in a separate document) to deal with issues related to financial mismanagement and other forms of malpractice at the entity or project level (i.e. corruption, misuse of funds, or neglect of duty). In developing these procedures, the EFC will take into account the information submitted by the Implementing Entity in its accreditation application on applicable policies and procedures relating to “transparency, self-investigative powers, and anti-corruption measures.”

The Conference of the Parties/Meeting of the Parties to the Kyoto Protocol (CMP), at its sixth session, requested that a Review of the Adaptation Fund should be conducted and presented at its seventh session.¹² Views from interested stakeholders on the scope of this review were requested to be submitted to the Secretariat by September 19th, 2011. The scope of the review will include all matters related to the Adaptation Fund, including institutional arrangements, taking stock of the progress made to date, and lessons learned in the operation and implementation of the Fund. Given that the Adaptation Fund has only recently become fully operational, this review shall focus on:

- The interim institutional arrangements of the GEF acting as interim secretariat of the Adaptation Fund Board, as well as the interim institutional arrangements of the World Bank acting as the interim trustee for the Adaptation Fund and all matters related to the AF Board;
- Performance reviews of the GEF acting as interim secretariat of the AF Board, as well as the interim institutional arrangements of the World Bank acting as the interim trustee for the Adaptation Fund; and
- A comparative assessment of the administrative costs of the services of the GEF as interim secretariat of the AF Board and the World Bank acting as an interim trustee for the Adaptation Fund and the AF Board.

The CMP may decide to request additional reviews in the future. These reviews should take into account the findings, conclusions, and recommendations from the independent evaluations of the Fund proposed above.

¹¹ Operational Guidelines and Policies of the Adaptation Fund Board (approved by the Board, June 2011).

¹² Terms of reference for the initial review of the Adaptation Fund (Draft Decision/CMP.6).

International evaluation standards and best practices also recommend evaluations at other levels:

- *Country-level evaluations*, which normally assess how the financial support fits and supports the country's priorities;
- *Impact evaluations*, which assess the long-term effects produced by an intervention, intended or unintended, direct or indirect; and
- *Process and performance evaluations* of the internal dynamics of the funding institution and of other participating institutions, as well as the implementation of projects.

One particular type of evaluation that should be considered by the Board is *ex-post* evaluations. The Board may consider establishing a system to conduct *ex-post* evaluations of Fund-supported activities given that climate change targeted scenarios and impacts are expected to take place many years after project completion. Final evaluations may be too early, even nine months after completion of project activities, to evaluate the achievement of project outcomes and impacts.

Disclosure of evaluations

All evaluations will be fully disclosed to relevant policy-makers, operational staff, beneficiaries, and the public in general. The principle behind the disclosure practice is to ensure the transparent dissemination of evaluation reports. The Adaptation Fund, within its knowledge management strategy, should ensure the dissemination of the findings, lessons, and recommendations extracted from evaluations. Consistent with the practice of most public sector financial institutions, the Adaptation Fund will not disclose to the public financial, business, proprietary, or other non-public information provided to the Adaptation Fund by its National Implementing Entity (NIE) or Multilateral Implementing Entity (MIE). In these cases, the published version of the final evaluation should remove these confidential sections.

Roles and responsibilities for evaluation

Each of the entities involved in the Adaptation Fund have differentiated and specific roles and responsibilities regarding evaluation. In almost all international organizations, evaluations are managed and implemented by independent evaluation units or individuals reporting directly to the Board or governing body, rather than to management. The Board may want to consider selecting one of the options (or combination thereof) from the menu below following international standards and best practices:

The Adaptation Fund Board

The Adaptation Fund Board has several functions regarding evaluation. The ones described below may be supplemented by other functions assigned to it in the future by the Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol. According to the Operational Policies and Guidelines, the Board is responsible for the strategic oversight of projects and programmes implemented with resources from the Adaptation Fund and overseeing results at the Fund level. The Board also authorizes independent evaluations and approves standards, guidance on procedures, and quality assurance for project and programme evaluations.

In addition, the Board reserves the right to carry out independent reviews or evaluations of projects and programmes as and when deemed necessary. The costs for such activities will be covered by the Adaptation Fund. Finally, in order to improve effectiveness and efficiency, the Board should regularly review performance reports and evaluations on implementation, ensure independent evaluation of projects and programmes supported by the Adaptation Fund, and keep the project cycle under review. The Board reviews and approves guidelines to implement this framework, including guidelines for final evaluations.

The Board ensures that adequate resources are allocated to enable the Evaluation Function to operate effectively and with due independence, in particularly through the Ethics and Finance Committee and the Board Secretariat. The Board promotes transparency, participation, and disclosure of evaluation findings, and ensures that sufficient time is dedicated to discussion of evaluation issues at Board meetings.

The Adaptation Fund Secretariat

The GEF provides secretariat services to the Adaptation Fund Board on an interim basis. A dedicated team of officials has been contracted to render services to the Fund in a functionally independent and effective manner (Adaptation Fund Secretariat). The Head of the AF Secretariat is responsible for delivery of services to the Board. The Secretariat manages daily operations of the Fund; assists with developing strategies, policies, and guidelines; serves as a liaison between implementing and executing agencies; arranges for Adaptation Fund Board meetings; ensures implementation of operational policies; operationalizes the project cycle; administers the budget and business plan; and oversees project implementation, as well as communication to the trustee. Regarding evaluation, the Secretariat ensures the following tasks:

- Provides support to the EFC in its preparation of the annual portfolio and progress-towards-results report to be presented to the Board. This report should include, when available and appropriate, lessons, findings, conclusions, and recommendations from relevant evaluation reports.

- Ensures that Board decisions emanating from the findings and recommendations from evaluations are followed up on and lessons are incorporated into the development of new projects and programmes, policies, strategies, and procedures. In particular, these lessons should be provided to project proponents (Implementing Entities) and the Project & Programme Review Committee.
- Ensures that results and lessons are disseminated through the Adaptation Fund website.
- Ensures that monitoring tools and guidelines, project reporting procedures, are developed, presented to the Board, and put in place to optimize and facilitate the Evaluation Function within the Fund.

The Evaluation Function of the Adaptation Fund

The GEF Evaluation Office implements the Evaluation Function of the Adaptation Fund on an interim basis of three years. 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 AF 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.

Ethics and Finance Committee

According to Board documents, the Ethics and Finance Committee has both monitoring and evaluation functions and responsibilities. The monitoring aspects are described in the Board document presenting the implementation approach of the RBM framework. Some of the

responsibilities include the monitoring of the Adaptation Fund portfolio of projects and programmes, with the support of the Secretariat. All projects under implementation are required to submit annual status reports to this committee. The committee will provide an annual report to the Board on the overall status of the portfolio and progress towards results, starting in December 2011.

Regarding evaluation, the EFC is responsible for providing advice to the Board on issues of conflict of interest, ethics, finance, and audit. The committee will review the performance of the Fund and the Implementing Entities by using both internal and external evaluations and reports as appropriate. Based on independent reviews or evaluations conducted at the discretion of the committee or the Board, the EFC¹³ may recommend to the Board to suspend or cancel a project or programme at any stage of the project cycle. These independent reviews or evaluations may take place for several reasons, such as financial irregularities in the implementation of the project and/or material breach and poor implementation performance leading to a conclusion that the project can no longer meet its objectives. In addition, the EFC, with support from the Secretariat, will assess the quality of final evaluation reports according to a set of criteria established in the Final Evaluation Guidelines.

Implementing Entities

Implementing Entities of Adaptation Fund projects have several roles and responsibilities in evaluation:

- Their project and programme proposals have satisfactory M&E plans and indicators aligned with the Fund's RBM.
- They conduct mid-term and final evaluations for all projects. These evaluations should be conducted according to the minimum requirements presented below and Board-approved guidelines. The reports should be submitted to the Board, through the AF Secretariat, at least nine months after completion of the project implementation.
- Evaluations of AF-funded activities are made public and ensure that lessons learned and information are exchanged with other entities engaged with the Fund.
- They respond promptly and fully to requests for information, access to staff, and field activities and other support relating to evaluations of Fund activities which they are responsible for.
- Their projects incorporate lessons from previous evaluations into their design and implementation plans.

¹³ Accessing Resources from the Adaptation Fund: the Handbook.

Project and Programme Review Committee

The Project and Programme Review Committee (PPRC) is responsible for assisting the Board in tasks related to project/programme review for Fund financing in accordance with the operational policies and guidelines for Parties to access resources of the Adaptation Fund, and for providing recommendations and advice to the Board thereon. Lessons coming from evaluations should be considered by the PPRC when reviewing project proposals.

Accreditation Panel

In accordance with the Operational Policies and Guidelines, the Accreditation Panel shall make recommendations to the Board regarding the accreditation of new Implementing Entities, as well as suspension, cancellation, or re-accreditation of entities already accredited. As part of the accreditation process, the Panel has to ensure that Implementing Entities have M&E capacities. Lessons coming from final evaluations should be considered by the Accreditation Panel, as relevant, for accrediting new entities.

Conference of the Parties/Meeting of the Parties to the Kyoto Protocol (CMP)

The Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol (CMP) exercises oversight of all Adaptation Fund and Board activities, including evaluation functions. The CMP has requested an initial Review of the Adaptation Fund to be presented at its seventh meeting (see above for description of the terms of reference)

Civil Society Organizations

All evaluations conducted by the Adaptation Fund will seek to engage with relevant civil society organizations (CSOs) to ensure that their views and perspectives are heard and taken into account in the evaluation. The relevant CSOs should be selected according to the type of projects; for example, umbrella or international CSOs may be most appropriate for national or regional activities, while local communities may be more relevant for locally based activities. A description of the engagement and the CSOs involved in the evaluation needs to be included in the final evaluation. CSOs have an important role in contributing to the integrity of AF Board policies, including policies on evaluating performance and achievement of results.

Evaluation principles and criteria

The Evaluation Function in the Adaptation Fund should be implemented under the principles presented in the diagram below, following best practices on evaluation. Some of these

principles may require further development of specific guidelines or procedures. They will be prepared by the Evaluation Function at the request of the Board.

Independence from policy-making process and management	Credibility based on reliable data, observations, methods and analysis	Transparency: clear communication concerning the purpose of the evaluation, its intended use, data and analysis	
Ethics: regard for the welfare, beliefs, and customs of those involved or affected	Impartiality: giving accounts from all stakeholders	Partnerships: between implementing entities, governments, civil society, and beneficiaries	
Competencies and Capacities: selection of the required expertise for evaluations	Avoidance of conflict of interest	Disclosure: lessons shared with general public	Utility: serve decision-making processes and information needs of the intended users

In general, evaluations in the Adaptation Fund should explore five major criteria, depending on what is being evaluated and understanding that not all of them need to be systematically reviewed in all cases.

- Relevance of the Adaptation Fund and funded projects/programmes: to local and national sustainable development plans, priorities, and policies; poverty alleviation plans; national communications or adaptation programmes, and other relevant instruments; objectives of the Adaptation Fund; and the guidance from the Convention. Some of the questions to be considered:
 - Was the activity supported relevant to improving resilience, reducing vulnerability, and increasing adaptive capacity at different levels?
 - Does the project support concrete adaptation activities that anticipate and address adverse effects of climate change? The issue of uncertainty of climate models and project designs should be considered here.

Evaluations should consider if the project proposal included flexibility or adaptive management to accommodate changes in the climate scenarios.

- Effectiveness: The extent to which the intended outcome(s) has (have) been achieved or how likely it (they) will be achieved. Some questions to be considered:
 - To what extent did the activity achieve reduction in vulnerability and/or increased adaptive capacity?
 - Does the activity provide environmental, social, and economic benefits to the involved communities, in particular the most vulnerable communities?

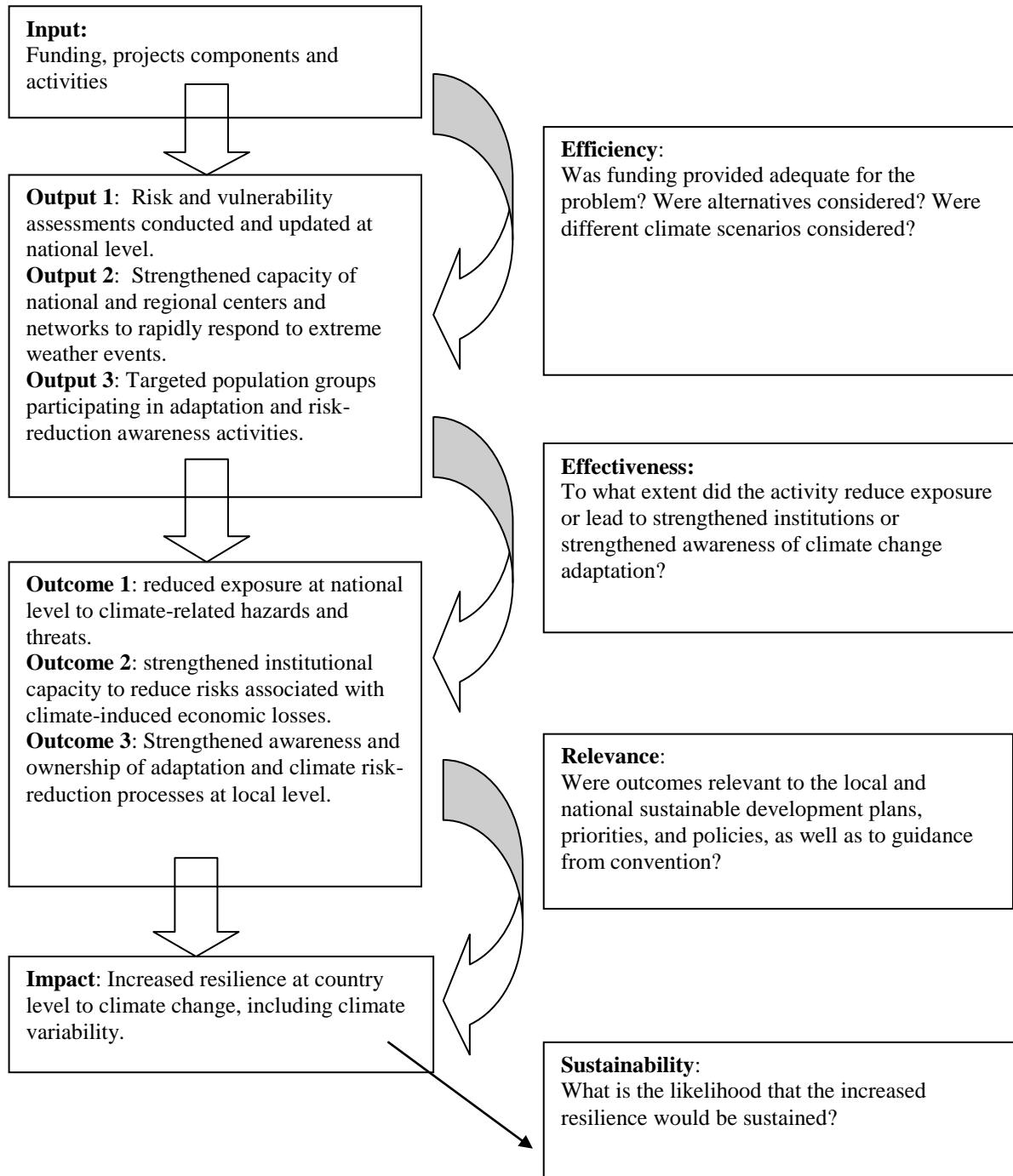
- Did the Fund provide support to vulnerable developing countries that are Parties to the Kyoto Protocol to implement their own measures increasing climate resilience?
- Have concrete adaptation activities addressed the adverse impacts of, and risks posed by, climate change?
- Efficiency: A measurement of how economically the funds, expertise, time, etc. provided by the AF have been converted into results. Some of the questions to be considered:
 - Were alternatives considered?
 - Did the project provide justification for the funding requested on the basis of the full cost of adaptation?
 - Were the cost guidelines established by the Fund for the Secretariat, Implementing Entities, and management cost-effective?
 - What have been the average times for the project cycle?
 - Did the project meet quality-at-entry requirements?
- Impact: The positive/negative and unforeseen changes to, and effects produced by, the Adaptation Fund support, individually or at the aggregated level. A question to be considered:
 - Have the activities supported by the Fund increased resiliency to climate variability and change at the community, national, and regional levels?
- Sustainability: The likelihood that benefits will continue for an extended period of time after project completion. Some questions to be considered:
 - Is the adaptation activity sustainable to the community involved both to maintain and to avert future climate change impacts?
 - Has the project established financially sustainable institutions and/or adaptation activities for communities in the long term?
 - Did the project cause other implications, which may increase vulnerability levels for the surrounding environment?
 - Were there any learning and knowledge management mechanisms established, ensuring continuation of exchange of lessons and knowledge?

In addition to these criteria, the Adaptation Fund should report on **results** achieved and against those agreed upon in the RBM framework. Results include direct outputs, short- to medium-term outcomes, and longer term impacts.

These evaluation criteria could be applied to each of the two objectives proposed in the Strategic Results Framework of the Adaptation Fund, Annex 1. For example, the following figure provides the chain of results and the evaluation criteria for Objective 1: reduction of vulnerability to the adverse impacts of climate change, including variability at local and national levels.

Figure 1. Evaluation Criteria applied to Adaptation Fund RBM Objective 1.

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



Minimum Requirements

There are two minimum requirements regarding evaluation, which are at the project level. Others may be considered and approved by the Board at a future time.

Project/Programme Mid-term Evaluations

Projects/programmes with more than four years of implementation funded by the Adaptation Fund will be evaluated at their mid-point of implementation. This requirement is different from, and in addition to, NIE or MIE requirements for mid-term reviews. These evaluations will have the following minimum requirements:

- They should be prepared by an evaluator independent from project/programme management, but selected by the Implementing Entity.
- The evaluation report should contain information on:
 - The evaluation: when the evaluation took place, who was involved, and how; terms of reference, including key questions and methodology; and
 - Updated project data at the time of the evaluation: date of project cycle, expected and actual (so far) financing, including actual expenditures; changes in institutional arrangements; and changes in project objectives.
- Mid-term evaluations should assess at a minimum:¹⁴
 - Initial outputs and results of the project;
 - Quality of implementation, including financial management;¹⁵
 - Assumptions made during the preparation stage, particularly objectives and agreed upon indicators, against current conditions;
 - Factors affecting the achievement of objectives; and
 - M&E systems and their implementation.
- The mid-term evaluations should be prepared no later than six months after the mid point of the project and sent to the AF Secretariat.
- Major changes to the objectives and expected outcomes of the project, coming from the mid-term evaluation, should be communicated by the Implementing Entity to the AF Secretariat. The Secretariat will decide if the project needs to be reassessed for eligibility and funding by the Adaptation Fund.
- The cost of the mid-term evaluations should be covered by the project's M&E plans.

¹⁴ Guidelines for mid-term evaluations will be developed.

¹⁵ This does not fulfill possible requirements of an audit.

Project/Programme Final Evaluations

All projects and programmes funded by the Adaptation Fund will be evaluated at the end of implementation (final evaluation). These evaluations will have the following minimum requirements:

- They should be prepared by an independent evaluator—independent from project/programme management, but selected by the Implementing Entity.
- In conducting these evaluations, Implementing Entities will apply their own evaluation norms and standards in addition to the ones required below. If an evaluation office is present within the organizational structure of the Implementing Entity, this office should be requested to participate in the evaluation following its own procedures.
- The evaluation reports should contain information on:
 - The evaluation: when the evaluation took place; who was involved and how; terms of reference, including key questions and methodology; and
 - Updated project data at the time of the evaluation: dates of project cycle; expected and actual financing, including actual expenditures; changes in institutional arrangements; and changes in project objectives.
- Final evaluations should assess at a minimum:¹⁶
 - Achievement of outcomes, including ratings and with particular consideration of achievements related to the proposed concrete adaptation activities, if applicable;
 - Likelihood of sustainability of outcomes at project completion, including ratings;
 - Evaluation of processes influencing achievement of project/programme results;
 - Contribution of project achievements to the Adaptation Fund targets, objectives, impact and goal, including report on AF standard/core indicators; and
 - Assessment of the M&E systems and its implementation.
- Final evaluations shall be prepared and submitted to the Adaptation Fund EFC through the Fund's Secretariat within nine months after project completion.
- Copies of the final evaluations shall be forwarded by the Implementing Entity to the national/regional agency implementing the project.

Issues for further discussion when evaluating adaptation projects and programmes

Successful adaptation activities would ideally result in a new coping range that covers most of the new climate patterns and variability under the new conditions. Most likely, the new conditions—both climate and socio-economic conditions for example—will not have materialized

¹⁶ Guidelines for final evaluations are under development.

at the time of the project completion. That said, adaptation activities might have been tested by a one-time event that resembles future scenario conditions (i.e. extreme drought or precipitation events, cyclones causing storm surges similar to the sea-level rise predicted in the future).

Literature regarding methods and frameworks as well as discussions on how to evaluate adaptation activities have grown in the last few years. No international standards or norms have been established, given the complexity and cross-sectoral nature of adaptation activities. Most likely there will not be one method or framework that could fit all needs, but rather frameworks that would be guided by the specific sectors in which adaptation activities are applied. Furthermore, the evaluation of adaptation activities should not be considered in isolation but should be linked to existing evaluation processes already in use. For example, adaptive capacity activities should be evaluated within the processes, methods, and frameworks to evaluate capacity. The following paragraphs provide a sample of characteristics of projects and investments dealing with adaptation that provide challenges to their evaluation. The Board should consider them in an evaluation framework.

- a) Success when no impacts happen. One characteristic of adaptation activities is that they are trying to prevent the occurrence of an event. Therefore, their success may be realized when nothing happens.

In some cases, the success could be measured if a climatic event similar to the one predicted by the climate change models actually occurs. The questions then are: did the system effectively withstand the event? What type of risk management processes and procedures were established?

In other cases, the extreme event may not occur or the predicted consequence of climate change will be more gradual. Indicators that show progress towards the achievement of project objectives may be used (e.g. number of schools built to withstand floods).

Project baselines become important for evaluation here, given that they will provide the information necessary to establish any changes at the end of the project. In addition to the baseline of project indicators, it is also important to consider the context in which the project is being implemented.

- b) Evaluations occur too early. Evaluations will usually occur much earlier than the date of the targeted scenario (i.e. climate change scenarios for 2020, 2050, or 2100) and the expected impacts. Establishing a system of *ex-post* evaluations (i.e. evaluation after a few years of project completion) may be one solution to this. Evaluating achievements in adaptive capacity in lieu of the actual adaptation activities themselves may be another option, establishing the flexibility and readiness to change.
- c) Uncertainty in climate scenarios producing uncertainty of risk levels. There are some areas of the world that have a great deal of uncertainty regarding their climate variability

and change, as provided by existing models. Projects and adaptation activities are designed within these uncertainties and levels of risk. The evaluation question here would be: were any improvements made to the climate change models and were changes incorporated into the implementation of the project and design of the adaptation activity?

- d) Short-term climate variability may affect the outcomes of the projects. The weather during the project implementation period may affect the performance of the proposed adaptation activity, either positively or negatively. For example, unexpected rainy seasons during an agriculture adaptation project dealing with future scenarios of drought may not allow for testing the effectiveness of the adaptation activity. The crop yields during those years would not be the best indicator of success for the project.
- e) Going beyond achievement of objectives: Was the adaptation activity selected and implemented the right one? Effective achievement of the objectives of a project is part of any evaluation, but the evaluator should also assess that the adaptation activity, with hindsight, was the most appropriate one for achieving the objectives.
- f) Contribution rather than attribution. Changes in resilience or adaptive capacity may not be directly or clearly attributed to the Adaptation Fund-supported project, given the fact that many other actions affect adaptation.
- g) Processes are better measured than impacts. In most cases, an evaluation at the end of a project may be too early to measure effectiveness in terms of risk and vulnerability reduction, but easier to evaluate improvements in adaptive capacity.

References to evaluation in Adaptation Fund Board documents

Title	Note
<p>Adaptation Fund Board. "Draft Standard Legal Agreement between the Adaptation Fund Board and the Implementing Entities." Report of the 12th meeting of the Adaptation Fund Board, Annex VI.</p>	<p>Section 7, 7.01: c) A mid-term and a final evaluation report, prepared by an [independent] evaluator selected by the [Implementing Entity]. The final evaluation report shall be submitted within nine (9) months after [Project]/ [Programme] completion. Copies of these reports shall be forwarded by the [Implementing Entity] to the Designated Authority for information.</p>
<p>Operational policies and guidelines for Parties to access resources from the Adaptation Fund, February 24, 2010.</p>	<p>P. 21, Project Suspension and Cancellation 55. At any stage of the project cycle, either at its discretion or following an independent review-evaluation, the Ethics and Finance Committee may recommend to the Board to suspend or cancel a project for several reasons, notably: (a) financial irregularities in the implementation of the project; and/or (b) material breach and poor implementation performance leading to a conclusion that the project can no longer meet its objectives.</p> <p>p. 37, Terminal Evaluation The date on which the Implementing Entity completes the terminal evaluation report, normally 2 months after project completion but in any case, no later than 12 months after project completion.</p> <p>Accreditation Process 36. The Board reserves the right to evaluate the performance of Implementing Entities at any time during an Implementing Entity's accreditation period. A minimum notification of six months will be given to Implementing Entities if they have been identified by the Board as being the object of such an evaluation.</p> <p>Monitoring, Evaluation, and Review 46. The Board is responsible for the strategic oversight of projects and programmes implemented with resources from the Fund. The Ethics and Finance Committee, with support of the Secretariat, will monitor the Adaptation Fund portfolio of projects and programmes.</p> <p>47. The Adaptation Fund Board will develop a results framework to support the Strategic Priorities, Policies, and Guidelines of the Adaptation Fund. The framework will take into consideration existing good practices and lay out an approach that: (i) incorporates measuring results with widely recognized tools; (ii) assesses risk on an ongoing basis; and (iii) incorporates learning into strategies, projects, and programmes.</p> <p>48. The Board will oversee results at the Fund level. Implementing Entities shall ensure that capacity exists to</p>

	<p>measure and monitor results of the Executing Entities at the country level. The Board requires that projects and programmes under implementation submit annual status reports to the Ethics and Finance Committee. The Committee, with the support of the Secretariat, shall provide an annual report to the Board on the overall status of the portfolio and progress towards results.</p> <p>49. 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.</p> <p>50. The Adaptation Fund Board will consider the process for developing a results framework to support projects and programmes and outline its main components with the aim of ensuring that the framework is in place before projects are approved.</p> <p>51. The Adaptation Fund Board reserves the right to carry out independent reviews or evaluations of the projects and programmes as and when deemed necessary. The costs for such activities will be covered by the Adaptation Fund.</p> <p>52. This project cycle will be kept under review by the Board.</p>
<p>Adaptation Fund Board. "Ethics and Finance Committee: Terms of Reference." Seventh meeting of the AF Board. Bonn, September 14-15, 2009.</p>	<p>1. The Ethics and Finance Committee (EFC) shall be responsible for providing advice to the Board on issues of conflict of interest, ethics, finance, and audit.</p> <p>2. In this regard, the EFC shall:</p> <p>f) Review the performance of the Fund and NIEs and MIEs, making use of both internal and external evaluations and reports from NIEs, MIEs, and other sources as appropriate.</p>
<p>Adaptation Fund Board. "Project and Programme Review Committee: Terms of Reference." Seventh meeting of the AF Board. Bonn, September 14-15, 2009.</p>	<p>1. The Project and Programme Review Committee (PPRC) shall be responsible for assisting the Board in tasks related to project/programme review in accordance with the Provisional Operational Policies and Guidelines for Parties to access resources of the Adaptation Fund (the Operational Policies and Guidelines), and for providing recommendations and advice to the Board thereon.</p> <p>2. In this regard, the PPRC shall:</p> <p>a) Consider and review projects and programmes submitted to the Board by eligible Parties in accordance with the Operational Policies and Guidelines.</p>

	<p>b) Address issues arising from projects and programmes submitted to the Board, including outstanding policy issues;</p> <p>c) Review the project and programme reports submitted by National Implementing Entities (NIEs) and Multilateral Implementing Entities (MIEs) in accordance with paragraph 46 of the Operational Policies and Guidelines, with the support of the Secretariat; report and make recommendations to the Board on project and programme approval, cancellation, termination, suspension, and on any other matter under its consideration; and</p> <p>d) Consider any other matter the Board deems appropriate.</p> <p>3. Representatives from NIEs and MIEs may be invited by the Chair of the PPRC to attend the meetings in order to explain details of the projects and programmes before the PPRC and provide information to assist in the deliberations.</p> <p>4. The PPRC, in consultation with the Board Chair, may require assistance and/or advice from experts in the performance of its functions;</p>
<p>UNFCCC. “Decision 1/CMP 3 Adaptation Fund.” Conference of the Parties (COP) serving as the Meeting of the Parties to the Kyoto Protocol (CMP), Poznan. December 2007.</p>	<p>Decides that the functions of the Adaptation Fund Board shall include the following functions and any other functions assigned to it by the Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol:</p> <p>(i) To regularly review performance reports on implementation and ensure independent evaluation and auditing of activities supported by the Adaptation Fund.</p>