



ADAPTATION FUND

AFB/EFC.19/5
23 September 2016

Ethics and Finance Committee
Nineteenth meeting
Bonn, Germany, 4-5 October 2016

Agenda item 4

OPTIONS FOR PROVIDING THE FUND WITH AN EVALUATION FUNCTION

Introduction

1. The Adaptation Fund Board (the Board) endorsed an evaluation framework for the Fund at its thirteenth meeting (March 2011 - Decision B.13/20.a). This framework included evaluation principles and criteria and two overarching objectives; it was developed in accordance with international standards in evaluation. Subsequently, options to implement this framework were explored. The Board approved the option of entrusting the evaluation function to the Global Environment Facility - Independent Evaluation Office (GEF-IEO)¹, for an interim three-year period at its 15th meeting (September 2011 - B.15/23).
2. As of March 11, 2014, the Director of the GEF-IEO decided to withdraw the GEF-IEO as the interim evaluation function of the Fund. The Board, at its 23rd meeting (March 2014), took note of this communication by the Director.
3. While considering options for the second phase of the overall evaluation of the Fund at its eighteenth meeting, the Ethics and Finance Committee (EFC) raised the broader question of the evaluation function of the Fund. It was noted that the Fund had not had an evaluation function since the GEF IEO had withdrawn from its role as interim independent evaluation function of the Fund in 2014, and generally agreed to consider reestablishing the evaluation function. Based on the recommendation of the EFC (recommendation EFC.18/1), the Board requested at its 27th meeting the “*secretariat to prepare options for providing the Fund with an evaluation function, building upon previous work related to the evaluation framework of the Fund, for consideration at the nineteenth meeting of the EFC*” (March 2016 - B.27/26).
4. The secretariat has developed the present document which delineates options for providing the Fund with an evaluation function. After reviewing the document, the EFC may wish to consider the options presented in this document and recommend a way forward to the Board for approval.

Evaluation Arrangements in International Organizations

5. In 2010, the OECD conducted a study to take stock of how the evaluation function is managed and resourced in development agencies, identifying major trends and challenges². It included the member agencies of the OECD DAC Network on Development Evaluation, consisting of 23 bilateral donors and seven multilateral development banks. It found that just over half of development agencies reported concerns over the adequacy of resources available for conducting high quality evaluations. Furthermore, it found that all multilateral banks have autonomous evaluation departments reporting directly to their board and overall the Institutional and behavioral independence of evaluation units have increased significantly. The study recommended that actions are needed to support a greater use of findings and take-up of recommendations, though it found that management response systems were functioning in all reporting multilateral institutions. Finally, it found that internationally agreed norms and standards, including the DAC Quality Standards for Development Evaluation, are now used in nearly all development agencies.
6. In addition, in 2013-14, the Joint Inspection Unit of the United Nations (JIU)³ examined the evolution, development and advancement of the evaluation function in the UN system to assess its growth, level of development and capacity to support organizations of the UN system, as well as any alternative approaches that may exist for an effective evaluation function⁴. The study sought to contribute to on-going efforts across the system, directed at strengthening the capacity of the evaluation function to meet professional standards, address emerging challenges and play a role in enhancing the value of the UN system. It found that the evaluation function has grown through the

1 Known as the Global Environment Facility (GEF) Evaluation Office at the time of decision B.15/23

2 OECD, 2010, *Better Aid – Evaluation in Development Agencies*

3 The Joint Inspection Unit (JIU) is a UN unit established by resolution 31/192 of December 22, 1976 of the General Assembly of the UN. Its objective is to enhance the efficiency of the administrative and financial functioning of the UN system and, to this end, it may make on-the-spot inquiries and investigations. The JIU is the only independent external oversight body of the UN system mandated to conduct evaluations, inspections and investigations system-wide. It is based in Geneva, Switzerland.

4 UN-Joint Inspection Unit, March 21, 2016, *Analysis of the evaluation function in the United Nations system* (A70/686).

years, striving for quality and efficiency, but the level of commitment to evaluation across the UN system is not commensurate with the growing demand for and importance of the function; in a lot of cases it is under-resourced and overstretched. The quality of evaluation systems, mechanisms, processes and outputs varies across the UN system; it is affected by the size of the organization, the resources allocated to evaluation, and the structural location of the function. Furthermore, it found that in developing their evaluation functions, organizations have focused on responding to demands for accountability but have not fully addressed other important elements, such as developing a culture of evaluation and using evaluation as a learning instrument for the organization. More is needed to enhance the credibility of the function by increasing its independence and issuing better quality evaluation reports. Finally, the study found that most organizations are not predisposed to a high level of use of evaluation to support evidence-based policy and decision-making for strategic direction setting, programmatic improvement of activities, and innovations.

7. The review of international best practices indicates the importance for international organizations to have an evaluation function. According to this study this function, which should be commensurate with the size of each organization, is one of the main instruments that support the UN system in addressing accountability for results and added value, for learning and knowledge development, strengthening its leadership role in global governance, and instituting reforms that influence the lives of people worldwide. An evaluation function needs to be part of the institution's governance and management functions (*see Annex 4 on key elements of an evaluation function*).

8. Based on these findings, the JIU study recommended to enhance the evaluation function in the UN system to ensure its quality, integrity, visibility and added value as well as developing learning systems that have the appropriate incentive systems for innovation, risk-taking and the use of multidisciplinary perspectives. These organizations should also develop comprehensive evaluation budget frameworks that are based on the cost of maintaining an effective and sustainable evaluation function that adds value to the organization and commensurate with the size of each organization. It is also recommended that UNEG develop a robust and harmonized quality-assurance system for the evaluation function across the UN system ensuring they apply and use the UNEG norms and standards for evaluations.

The Evaluation Function of CGIAR

9. Following the endorsement by the CGIAR Fund Council of a new Monitoring and Evaluation (M&E) framework for the new CGIAR in 2009, an independent evaluation arrangement was established in 2010 and its design and governance was in accordance with international best practices and follow standards of "independence" as defined by the OECD/DAC Network of Development Evaluation. This arrangement was to provide CGIAR with a new accountability framework.

10. A "CGIAR Policy for Independent External Evaluation" was approved in January 2012. This policy set the key principles for an independent external evaluation in the CGIAR, the coverage of independent evaluation, the mandate, the institutional arrangements and the work-planning, reporting and budgeting. The arrangement includes an independent Head who reports directly to the Fund Council. The policy is supported by a set of evaluation standards and guidance notes issued by the Head of this independent evaluation unit.

The Evaluation Function of the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund)

11. The M&E function of the Global Fund is done through the Monitoring and Evaluation, Finance and Audit Committee (MEFA). The committee provides policy guidance to the Fund's secretariat on M&E issues; it is tasked to develop the monitoring and evaluation operations plan; and it oversees its implementation by the secretariat. It also prepares decisions for the Board.

12. In addition to the MEFA committee, a Technical Evaluation Reference Group (TERG) was set up in 2003 to support the Global Fund Secretariat's M&E function. It provides independent assessments and advice on technical and managerial aspects of the monitoring and evaluation work

of the Fund at all levels. It is an independent evaluation advisory group, accountable to the Board of the Global Fund for ensuring independent evaluation of the Global Fund business model, investments and impact. Its role was reviewed in 2009 and in 2011 and, following an audit of the functioning of the TERG in 2013, the Office of the Inspector General recommended the revision of the terms of reference for the TERG⁵, stressing the independent assurance function.

13. The TERG provides an independent assurance function by overseeing independent evaluations on behalf of the Board and its Committees. It also oversees the evaluation functions performed by the Secretariat and advises the Global Fund Secretariat on evaluation approaches and practices, independence, reporting procedures and other technical and managerial aspects of monitoring and evaluation at all levels.

14. Membership of the TERG is drawn from a range of stakeholders, including practitioners, research institutions, academics, from donor and recipient countries, and non-governmental organizations. Members of the TERG are appointed by the Board of the Global Fund; it is comprised of 15 members. They serve in their personal capacities, do not represent their employers, governments or organizations and are institutionally independent of the Secretariat, the Board and Board Committees.

Options to provide the Fund with an Evaluation Function

15. This section presents possible options for providing an evaluation function for the Fund. It is based on the analysis conducted by the secretariat and discussions at the EFC and Board levels on evaluation matters, including the consideration of the Board-approved “*Evaluation Framework*” (AFB/EFC.5/4 and AFB/EFC.6/4). A summary of these options is also presented in Annex 1.

16. At its 13th meeting the Board requested the Secretariat and the GEF-IEO⁶ to explore different options on who would be responsible for implementing the evaluation framework (Decision B.13/20). Three Options were presented at the 5th EFC meeting (AFB/EFC.5/4): (i) Option 1 – Appointment of a Senior Evaluation Officer within the Fund Secretariat; (ii) Option 2 – Establishment of a Technical Evaluation Reference Group (TERG); (iii) Option 3 – Requesting support from GEF-IEO. These three options were reviewed at the 14th Board meeting (June 20-22, 2011). At the meeting the Board decided to drop option 1 and requested the Secretariat and the GEF-IEO to present further information on option 2 and 3 including costs. This information was presented to the 6th EFC meeting and submitted to the 15th Board meeting. At the meeting (AFB/B.15/8), the Board decided to approve the option of entrusting the evaluation function to the GEF-IEO for an interim three-year period (Decision B.15/23 (a)).

17. The evaluation function would support the implementation of the evaluation framework by improving the accountability and learning in the Adaptation Fund through three main functions: i) an evaluation function: to independently evaluate the effectiveness of Adaptation Fund supported projects and programs and implementing entities; ii) a normative function: To set minimum evaluation standards within the Adaptation Fund in order to ensure improved and consistent measurement of results; and iii) an oversight function: to 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.

18. Below is presented three options for providing an evaluation function for the Fund. For each option, a description is given followed by an estimated budget, strengths and opportunities, and weaknesses and threats.

Option 1: Through the GEF Independent Evaluation Office (GEF-IEO)

19. The Board could request the GEF-IEO to provide the evaluation function for the Fund. The

⁵ The Global Fund, June 2014, *Terms of Reference of the Technical Evaluation Reference Group (TERG)*

⁶ Then the GEF Evaluation Function

GEF-IEO Director would be accountable to the Board for the evaluation function and would report directly to the governing body. The GEF-IEO would be responsible to develop annual evaluation work programmes and budgets to be reviewed by EFC and approved by the Board as well as to manage and conduct evaluation work.

20. The GEF-IEO has experience with this type of arrangements since this is how the Special Climate Change Fund (SCCF) and the Least Developed Countries Fund (LDCF) implement their evaluation frameworks and work programmes. The GEF-IEO was also the entrusted interim evaluation function of the Fund for almost three years from September 2011 to March 2014. During this period, however, the GEF-IEO did not perform any evaluation work for the Fund so there is not real practice in the function. Unlike the Adaptation Fund, the LDCF and SCCF are funds managed by the GEF.

21. The GEF-IEO, in accordance with the 2003 GEF Council decision⁷, operates as an organizational unit that is independent of GEF Agency or GEF Secretariat management. The Office has the central role of ensuring the independent evaluation function within the GEF, setting minimum requirements for Monitoring and Evaluation (M&E), ensuring oversight of the quality of M&E systems on project and program levels, and sharing evaluative evidence within the GEF. The GEF-IEO has the responsibility of implementing the evaluation aspects of the GEF M&E Policy, approved in November 2010⁸.

22. Based on discussions held with the GEF-IEO, such option would entail the following requirements: i) that the Board entrusts the GEF-IEO as the evaluation function of the Fund; ii) that the GEF-IEO gets clearance from the GEF council to act as the evaluation function of the Fund; and iii) that the Board commits financial resources to the GEF IEO on a yearly basis.

Strengths and Opportunities

- a) Would benefit from the GEF IEO experience in overall comprehensive evaluations, knowledge of the related trust funds such as the GEF Trust Fund, the LDCF and the SCCF for which the GEF-IEO is the evaluation function and experience of the LDCF and the SCCF;
- b) As an independent evaluation office, it will ensure good independence of the evaluation process;
- c) Benefit from the experience of the GEF-IEO in finalizing/publishing this type of evaluation products;
- d) Less administrative support needed from the secretariat.

Weaknesses and Threats

- a) Limited technical expertise in climate change adaptation;
- b) A more permanent evaluation function may incur higher costs on the long term.

Option 2: Through a Technical Evaluation Reference Group (TERG)

23. The Board could establish a Technical Evaluation Reference Group (TERG) such as the one used by the Global Fund to Fight AIDS, Tuberculosis and Malaria or the similar Monitoring & Evaluation Reference Group used by UNAIDS. This group would be an independent evaluation advisory group, accountable to the Board, established to ensure the independent implementation of the Fund's evaluation framework.

24. The TERG would be comprised of an independent group of experts in evaluation who are all institutionally independent of the secretariat, Board, and Board committees. The members would serve in their personal capacities only and would not represent their employers, governments or Fund's entities. Membership of the group would be drawn from a range of stakeholders, including practitioners, research institutions, academics, donor and implementing countries, and non-

⁷ Terms of Reference for an Independent Monitoring and Evaluation Unit (<http://www.thegef.org/gef/node/4134>).

⁸ GEF M&E Policy (November 2010) (<http://www.thegef.org/gef/node/4184>).

governmental organizations.

25. A call for applications could be launched by the EFC and candidates could be selected through a selection committee that would recommend a proposed list of candidates to the Board, for its approval. Criteria for selection could include:

- credibility and independence
- expertise and experience in evaluation
- country experience
- knowledge of topics in adaptation to climate change impacts
- commitment and availability to participate in a part time basis
- absence of conflict of interest
- geographic representation and
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- Gender balance.

26. There should be at least 3 to 5 members (one would be elected as Chair), appointed for 60 to 90 days a year, for 3 years not renewable; additional experts may be brought in as necessary to implement the work programme. In addition to travel expenses, members should receive compensation based on a daily rate, decided by the EFC.

27. The group would carry out and oversee independent evaluations on behalf of the Board and its Committees according to the evaluation framework. On an annual basis, the group would prepare an evaluation work program and budget, following the evaluation framework requirements, to be discussed with the Ethics and Finance Committee (EFC) and approved by the Board. The TERG would design, commission and oversee these independent evaluations, with administrative support from the secretariat.

28. The Chair of the group could report to the EFC and the Board as frequently as deemed appropriate and present results of evaluations and other work conducted by the TERG. Recommendations from the group could be considered by the EFC, as per the EFC's terms of reference, which would forward them in turn to the Board for advice.

29. The secretariat would provide support to the TERG, in particular with regard to the arrangements for the implementation of the group's work programme. The workload of the secretariat will vary depending on the work programme.

Strengths and Opportunities

- a) Possibility to recruit internationally renowned experts in climate change adaptation;
- b) Since this is not a resident group there would be no general operating costs to be paid;
- c) Evaluation process and outputs overseen by renowned international experts in evaluations;
- d) A set up ensuring good independence of the evaluation process.

Weaknesses and Threats

- a) The pool of experts with both adaptation and evaluation expertise is limited;
- b) Independence of the TERG and its set up would need to be established and accepted by the Board;
- c) There could be additional costs since the secretariat would have to provide administrative support, implying possibly the appointment of additional staff to the secretariat.

Option 3: Ad-hoc Arrangements

30. The Board could continue to operate the evaluation function of the Fund similarly to how it has been operated so far. In other words, the Board could appoint on a regular basis an independent consulting firm to perform an overall evaluation of the fund or some thematic assessments, and an Independent Review Panel (IRP) to supervise the evaluations and ensure an independent quality control mechanism. This will be done on an ad-hoc basis.

31. The Board would decide on the tasks to be performed or areas to be evaluated. The IRP would report to the Board through the EFC as needed, providing independent reviews of the work conducted by independent consulting firms. The role of the IRP would include drafting the TOR for evaluations, selecting the evaluation team, providing quality assurance during the evaluation process, ensuring the timely delivery of the evaluation by the evaluation company, and reporting on progress of the evaluation to the EFC.

32. The IRP would include at least three International Experts (i) an evaluation specialist (ii) an adaptation specialist and (iii) a representative from civil society; one of them will be the IRP Team Leader. The IRP Members would be remunerated for their contribution.

33. The secretariat would provide support to the IRP. The workload requested from the secretariat would depend on the on-going tasks.

Strengths and Opportunities

- a) Possibility to recruit internationally renowned experts in climate change adaptation as part of the evaluation team and/or the IRP;
- b) Evaluation process and outputs overseen by a group of international experts (IRP);
- c) Since this is not a resident group there would be no general operating costs to be paid;
- d) An independent firm and an IRP will ensure good independence of the evaluation process itself.

Weaknesses and Threats

- a) The secretariat will need to provide some administrative support such as identifying the IRP members, contracting the IRP and evaluation teams, managing contracts and ensuring that payments are made upon agreed deliverables;
- b) Since the Board would decide on the nature of the evaluations that will be carried out, the independence of the evaluation function may be sub-optimal.

Annex 1: Summary of Options

The table below provides a summary of the three options presented above:

	Description	Summary of Strengths and Opportunities	Summary of Weaknesses and Threats
Option 1:	Through the GEF Independent Evaluation Office (GEF-IEO)	<ul style="list-style-type: none"> • Would benefit from the GEF IEO experience in overall comprehensive evaluations, knowledge of the related trust funds such as the GEF Trust Fund, the LDCF and the SCCF for which the GEF-IEO is the evaluation function and experience of the LDCF and the SCCF; • As an independent evaluation office, it will ensure good independence of the evaluation process; • Benefit from the experience of the GEF-IEO in finalizing/publishing this type of evaluation products; • Less administrative support needed from the secretariat. 	<ul style="list-style-type: none"> • Limited technical expertise in climate change adaptation; • A more permanent evaluation function may incur higher costs on the long term.
Option 2:	Through a Technical Evaluation Reference Group (TERG)	<ul style="list-style-type: none"> • Possibility to recruit internationally renowned experts in climate change adaptation; • Since this is not a resident group there would be no general operating costs to be paid; • Evaluation process and outputs overseen by renowned international experts in evaluations; • A set up ensuring good independence of the evaluation process. 	<ul style="list-style-type: none"> • The pool of experts with both adaptation and evaluation expertise is limited; • Independence of the TERG and its set up would need to be established and accepted by the Board; • There could be additional costs since the secretariat would have to provide administrative support, implying possibly the appointment of additional staff to the secretariat.
Option 3:	Ad-hoc Arrangements	<ul style="list-style-type: none"> • Possibility to recruit internationally renowned experts in climate change adaptation as part of the evaluation team and/or the IRP; 	<ul style="list-style-type: none"> • The secretariat will need to provide some administrative support such as identifying the IRP members, contracting the IRP and

		<ul style="list-style-type: none"> • Evaluation process and outputs overseen by a group of international experts (IRP); • Since this is not a resident group there would be no general operating costs to be paid; • An independent firm and an IRP will ensure good independence of the evaluation process itself. 	<p>evaluation teams, managing contracts and ensuring that payments are made upon agreed deliverables;</p> <ul style="list-style-type: none"> • Since the Board would decide on the nature of the evaluations that will be carried out, the independence of the evaluation function may be sub-optimal.
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Note that the cost of implementing an evaluation work programme is not included in this discussion.

Annex 3: Background

34. At the seventh meeting of the Board, the “*Operational Policies and Guidelines*” for Parties to access resources from the Fund were approved (AFB/B.7/4, September 2009). As a result, the Board needed to develop a Results-Based Management (RBM) framework to support the Strategic Priorities, Policies and Guidelines of the Fund and which would 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.

35. At its eight meeting in November 2009, the Board considered the document AFB/B.8/8, which provided an overview of results based management (RBM) and outlined the major components that could be included in a results framework. The RBM framework would explicitly link the strategic objectives and priorities of the Fund to the various programmes and projects that it finances so that collectively they help achieve the goal(s) of the Fund. One emphasis was on measuring and monitoring the performance of projects and programmes funded by the Fund with a feedback mechanism into decision making, project design and strategy development. At the eighth meeting, the Board requested the secretariat to present a detailed document, outlining a possible approach for results-based management and evaluation for the consideration by the Board at its ninth meeting (Decision B.8/5).

36. The document prepared for the ninth meeting of the Board (AFB/B.9/7 – March 8, 2010), detailed “*An Approach to Implementing Results Based Management (RBM)*”. It is comprised of six main parts, including the third part that is to “*iii) Integrate Evaluation into the project cycle as a key performance tool*”. Under this part, it presented some basic principles implemented by the evaluation functions of other international organizations. Furthermore, the document proposed that the Board undertake the preparation of an evaluation framework to identify the evaluation policies and programs for the different types of evaluations needed by the Fund to support the accountability, oversight and learning needs. It should also include the overall objective and mission of the evaluation function, 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 and minimum requirements for projects. At its ninth meeting (March 23-25, 2010) the Board requested the secretariat to revise the document AFB/B.9/7 on the basis of the discussion and comments submitted by Board members and alternates, and to present a revised document on a results-based management-framework for consideration by the Board at its tenth meeting (Decision B.9/3).

37. At its tenth meeting, the Board adopted the implementation of a results based management approach by the Fund as outlined in the document AFB/EFC.1/3/Rev.2. It discussed the need that evaluation should provide information on whether the project or portfolio was on the right track; looking at projects and programs with a critical eye, to assess validity, credibility and reliability. Evaluation should also provide evidence on how changes are taking place, and the strengths and weakness of the design of the projects, programme or corporate strategies embedded in the RBM. Finally, the Board also requested that a monitoring and evaluation framework and guidelines for final evaluations be developed. (Decision B.10/13)

38. A first evaluation framework was drafted by the secretariat (AFB/EFC.4/5) and reviewed at the Fourth meeting of the EFC on March 16, 2011. The overall purpose of the evaluation framework was to explain concepts, definition of evaluation, roles and use of evaluation within the Fund and to define the institutional framework and the roles and responsibilities of different entities participating in the Fund. Specifically, it established requirements for how Fund activities should be evaluated in line with international principles, norms and standards. It was noted that the framework did not deal with the capacity of implementing entities to do monitoring and evaluation, since that was covered within the accreditation process. Furthermore, the evaluation framework did not discuss the independence of the evaluation function in the Fund.

39. The evaluation framework included evaluation principles and criteria and two overarching

objectives, identified in accordance with international standards in evaluation, and that should be promoted by the evaluation function of the Fund:

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

40. The evaluation framework was endorsed at the thirteenth meeting of the Board (March 2011 - Decision B.13/20.a). However, the Board requested that a revised version be presented at the fourteenth meeting of the Board, incorporating comments provided at the EFC meeting as well as comments from Board members. It also requested that the secretariat – with support of the GEF-IEO - explore different options – to be included in the next version of the evaluation framework - on who should be responsible for implementing the evaluation framework (Decision B.13/20.d).

41. A revised evaluation framework was drafted and submitted to EFC at its fifth meeting on June 20, 2011 (AFB/EFC.5/4). It included three levels of evaluation that should be present in the Fund: (i) project level, (ii) implementing entity level; and (iii) Adaptation Fund level. The revised version also included three options for implementing the evaluation framework, which were based on cases of similar financial organizations:

- a. Option 1. Senior Evaluation Officer within the secretariat
- b. Option 2. Technical Evaluation Reference Group (TERG)
- c. Option 3. Support from GEF Independent Evaluation Office

42. At its 14th meeting, the Board requested the secretariat and the GEF-IEO to prepare a revised version of the evaluation framework to be presented to the Board at its 15th meeting (Decision B.14/23). The revised version should incorporate further comments provided by the EFC, including costed information for the options b and c above (option a. was dropped) to implement the evaluation framework.

43. A revised evaluation framework (AFB/EFC.6/4) was submitted to EFC at its sixth meeting on September 14, 2011. It included the cost to implement the two selected options for implementing the framework as well as the main functions to be provided by the third option (c) to improve accountability and learning in the Adaptation Fund.

44. At its 15th meeting the Board reviewed the two options to be considered for the implementation of the evaluation framework. After considering the recommendation of the EFC, the Board approved the option of entrusting the evaluation function to the GEF-IEO, for an interim three-year period. It also approved the revised evaluation framework contained in the document AFB/EFC.6/4. It also requested the GEF-IEO and the secretariat to prepare a final version of the evaluation framework including the inclusion of the definition of the evaluation function as per decision B.15/23.

45. The final version of the evaluation framework was amended as per decision B.15/23 including the insertion of the evaluation function entrusted to the GEF-IEO for an interim period of three years. The document (AFB/EFC.8/12) was submitted to the eighth meeting of the EFC on March 14, 2012. The functions surrounding the implementation of the evaluation framework were identified and endorsed as:

- a. **Evaluative Function:** Independently evaluate the effectiveness of the Fund supported projects and programmes as well as implementing agencies and report to the Board on lessons, findings, conclusions, and recommendations from relevant evaluation reports.
- b. **Normative Function:** Set minimum evaluation standards within the Fund in order to ensure improved and consistent measurement of results.
- c. **Oversight Function:** Provide quality control of the minimum evaluation requirements and their practice in the 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 Fund website.

46. The final version of the evaluation framework with the proposed amendments (AFB/EFC.8/12) was approved by the Board at its 17th meeting and requested the secretariat to post on the Fund website the amended version (March 15-16, 2012 - Decision B.17/21).

47. As per the framework, the evaluation function (GEF-IEO) was responsible for developing an annual evaluation work programme and budget to be approved by the Board, as well as conducting evaluative work outlined in the approved work programme. The fiscal year 2013 work programme and budget for the evaluation function was then prepared by the evaluation function (AFB/EFC.9/10) with a budget for FY2013 of US\$ 28,200, which was submitted to the ninth meeting of the EFC on June 26-27, 2012.

48. The document containing the 2013 work programme and budget for the evaluation function was reviewed by the Board at its 18th meeting. However, as per Decision B.18/36, the Board did not approve the request to establish a separate budget for the evaluation function at this early stage; but it approved the fiscal year 2013 work programme and budget, which was revised to US\$ 17,000 to cover the costs for the evaluation function of the Fund over the period 1 July 2012 to 30 June 2013.

49. At its twentieth meeting (April 2013), 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.*” (Decision B.20/14).

50. Document AFB/EFC.12/4 was prepared by the GEF-IEO in its capacity as interim evaluation function for the Fund. The document included a review of overall comprehensive evaluations and options for conducting an overall comprehensive evaluation of the Fund. It was presented at the EFC twelfth meeting (July 2013).

51. At its 21st meeting (July 3-4, 2013) the Board considered the recommendations of the EFC and requested the secretariat to prepare a new document regarding the overall evaluation of the Fund (Decision B.21/17), containing a) options for terms of reference for possible evaluations of the Fund covering different scopes; b) a proposal regarding the timing of each option taking into account the status of the Fund's active portfolio; c) costs associated with each option; and d) options for commissioning the evaluation.

52. As of March 11, 2014, the GEF-IEO Director decided to withdraw the GEF-IEO as the interim evaluation function of the Fund. The Board, at its 23rd meeting, took note of this communication by the Director.

53. Document AFB/EFC.14/5 detailing options for the overall evaluation of the Fund was considered by the Board at its 23rd meeting (March 2014). The Board decided to approve the option 3 presented by EFC (two-phased evaluation), to set up an independent review panel to oversee the first stage of the evaluation and to request the secretariat to issue a request for proposals to conduct the evaluation.

54. At its 27th meeting (March 17-18, 2016) the Board discussed the options for conducting the second stage of the evaluation of the Fund, which were detailed in the document AFB/EFC.18/3. The Board decided to initiate the second phase of the evaluation of the Fund. In addition, the Board also decided to “*Request the secretariat to prepare options for providing the Fund with an evaluation function, building upon previous work related to the evaluation framework of the Fund, for consideration at the nineteenth meeting of the EFC*” (Decision B.27/26).

Annex 4: Key Elements of an Evaluation Function

55. Establishing an evaluation function would require an adequate institutional framework for the effective management of the function. The function needs to be implemented independently from the management of the institution and the Head of evaluation should report directly to the governing body of the institution⁹. The institution should also establish an evaluation policy adhering to the *UNEG Norms and Standards for Evaluation*. The evaluation function is responsible for developing annual evaluation work programmes and budgets for approval by the Board as well as conducting evaluative work outlined in the approved work programmes. This function should include the following key elements:

Objectives

56. The evaluation function should have two overarching objectives:
- a. Accountability for the achievement of the Fund objectives through the assessment of results, effectiveness, processes, and performance of the Fund financed activities and their contribution to those objectives. Evaluation aims to understand why — and to what extent — intended and unintended results were achieved and to analyze the implications of the results;
 - b. Learning, feedback, and knowledge sharing on results and lessons learned among different groups participating in the Fund to improve on-going and future activities and to support decision-making on policies, strategies, programme management, projects and programmes. Evaluation can inform planning, programming, budgeting, implementation and reporting and can contribute to evidence-based policymaking, development effectiveness and organizational effectiveness.

Functions

57. An evaluation function could encompass, among others:
- a. **Evaluative Function:** Independently evaluate the effectiveness of the Fund supported projects and programmes, the accreditation process, the Fund policies, funding windows, direct access modality, as well as implementing agencies and report to the Board on lessons, findings, conclusions, and recommendations from relevant evaluation reports.
 - b. **Normative Function:** Set minimum evaluation standards within the Fund in order to ensure improved and consistent measurement of results.
 - c. **Oversight Function:** Provide quality control of the minimum evaluation requirements and their practice in the 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 Fund website.

Levels of Evaluation

58. The Fund should have three distinct levels of evaluation:
- a. **Project level:** mid-term evaluations and final evaluations of projects funded by the Fund;
 - b. **Implementing entity level:** evaluate the performance and effectiveness of implementing entities at any time while the implementing entity is accredited¹⁰;
 - c. **Adaptation Fund level:** an overall independent evaluation of the Fund to assess the extent to which the Fund is achieving its objectives and the performance of its governance,

⁹ UNEG, June 2016, Norms and Standards for Evaluation.

¹⁰ A discussion took place at the 15th Board Meeting (September 15-16, 2011) on what would trigger an evaluation of an implementing entity. The Board reserved the right to evaluate the performance and effectiveness of implementing entities at any time while the implementing entity is accredited. Such an evaluation would be triggered by a request from any Board member through a notification to EFC, which would review the request. Two different scenarios were envisaged: (i) Where the issue was related to performance and effectiveness, the EFC would request the entity involved to provide further information and might then engage an independent evaluator to conduct further assessment of the situation, or engage an independent evaluator to conduct an evaluation of the entity's performance and/or effectiveness, or dismiss the case; (ii) Where the issue was related to financial mismanagement such as corruption, misuse of funds or neglect of duty, the EFC would request the entity involved to follow the procedures presented in the accreditation application section on "Transparency, self-investigative powers and anti-corruption measures."

operations, management and administration and to identify potential improvements

Definition of Evaluation

59. According to the “*UNEG Norms and Standards for Evaluation*”, an evaluation is an assessment, as systematic and impartial as possible, of an activity, project, programme, strategy, policy, topic, theme, sector, operational area, institutional performance etc. It focuses on expected and achieved accomplishments, examining the results chain, processes, contextual factors and causality, in order to understand achievements or the lack thereof. It aims at determining the relevance, impact, effectiveness, efficiency and sustainability of the interventions and contributions of the organizations of the UN system. An evaluation should provide evidence-based information that is credible, reliable and useful, enabling the timely incorporation of findings, recommendations and lessons into the decision-making processes of the organizations and stakeholders¹¹.

Evaluation Principles

60. The evaluation function should be implemented under the following evaluation principles:

- **Independence** from policy making process and management: The evaluation process should be impartial and independent in its function from the process concerned with policy making, delivery and management of assistance. A requisite measure of independence of the evaluation function is a recognized pre-condition for credibility, validity and usefulness.
- **Credibility** based on reliable data, observations, methods and analysis: Credibility requires that evaluations should report successes as well as failures. Recipient countries should, as a rule, fully participate in evaluation in order to promote credibility and commitment. Whether and how the organization’s approach to evaluation fosters partnership and helps builds ownership and capacity in developing countries merits attention as a major theme.
- **Utility**: To have an impact on decision-making, evaluation findings must be perceived as relevant and useful and be presented in a clear and concise way. They should fully reflect the different interests and needs of the many parties involved in development co-operation. Importantly, each review should bear in mind that ensuring the utility of evaluations is only partly under the control of evaluators. It is also critically a function of the interest of managers, and member countries through their participation on governing bodies, in commissioning, receiving and using evaluations
- **Impartiality**: giving accounts from all stakeholders; key elements of impartiality are objectivity, professional integrity and absence of bias
- **Partnerships**: between implementing entities, governments, civil society and beneficiaries
- **Transparency**: clear communication concerning the purpose of the evaluation, its intended use and data and analysis
- **Disclosure**: lessons shared with general public
- **Ethics**: regard for the welfare, beliefs, and customs of those involved or affected
- **National Evaluation Capacities**: The effective use of evaluation can make valuable contributions to accountability and
 - learning and thereby justify actions to strengthen national evaluation capacities
- **Human Rights and Gender Equality**: The universally recognized values and principles of human rights and gender equality need to be integrated into all stages of an evaluation
- **Professionalism**: selection of the required expertise for evaluations

Evaluation Criteria

61. Evaluations should explore five major criteria, depending of what is being evaluated and understanding that not all of them need to be systematically reviewed in all cases:

- **Relevance** of the 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; to the objectives of the Fund, and to the guidance from the convention;
- **Effectiveness**: The extent to which the intended outcome(s) have been achieved or how

¹¹ This definition draws on Regulation 7.1 of Article VIII of ST/SGB/2000/8 and from the widely accepted Principles for Evaluation of the Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD DAC).

likely it is to be achieved;

- **Efficiency:** A measurement of how economically the funds, expertise, time, etc. provided by the Fund have been converted into results;
- **Impact:** The positive/negative and unforeseen changes to, and effects produced by, the Fund support, individually or at the aggregated level;
- **Sustainability:** The likelihood that benefits will continue for an extended period of time after project completion.

Responsibility for the evaluation function

62. An organization's governing body is responsible for ensuring the establishment of a duly independent, competent and adequately resourced evaluation function to serve its governance and management needs. The evaluation budget should be commensurate to the size and function of the organization and to the range of services to be provided by the evaluation function.

63. The governing body is responsible for appointing a professionally competent responsible body and for fostering an enabling environment that allows this body to plan, design, manage and conduct evaluation activities in alignment with the UNEG Norms and Standards for Evaluation. The governing body and/or the executive head are responsible for ensuring that evaluators, evaluation managers and the head of the evaluation function have the freedom to conduct their work without risking their career development. Management of the human and financial resources allocated to evaluation should lie with the responsible body in order to ensure that the evaluation function is staffed by professionals with evaluation competencies in line with the UNEG Competency Framework.

64. Where a decentralized evaluation function exists, the central evaluation function is responsible for establishing a framework that provides guidance, quality assurance, technical assistance and professionalization support.