



ADAPTATION FUND

AFB/PPRC.22/26/Rev.1
12 March 2018

Adaptation Fund Board
Project and Programme Review Committee
Twenty-second Meeting
Bonn, Germany, 20-21 March 2018

Agenda item: 11

**COST-EFFECTIVENESS OF OPTIONS FOR ARRANGING
POST-IMPLEMENTATION LEARNING AND IMPACT
EVALUATION OF ADAPTATION FUND PROJECTS AND
PROGRAMMES**

Background

1. At the nineteenth meeting (October 2016), the Project and Programme Review Committee (PPRC) of the Adaptation Fund Board (the Board) discussed the importance of the follow-up of projects and programmes once they have been completed, including their post-implementation evaluation. Based on the above discussion, The Project and Programme Review Committee (PPRC) decided to:

[...]

Recommend that the Adaptation Fund Board request the secretariat to propose, at the 20th meeting of the PPRC options for how post-implementation learning and impact evaluation could be arranged for Adaptation Fund projects and programmes, taking into account on-going discussions on the evaluation function of the Fund.

(Recommendation PPRC.19/32)

2. Having considered the comments, recommendation and discussions of the PPRC during the meeting, the Adaptation Fund Board decided to request the secretariat to:

[...]

Propose, at the twentieth meeting of the PPRC, options for how post-implementation learning and impact evaluation could be arranged for Adaptation Fund projects and programmes, taking into account ongoing discussions on the evaluation function of the Adaptation Fund, as well as Phase II of the evaluation.

(Decision B.28/32)

3. Pursuant to the PPRC discussion and Board Decision B.28/32, the Secretariat developed a document, which presented three options for how ex-post evaluations of Adaptation Fund projects and programmes could be arranged. The three options presented in document were as follows:

- I. The Evaluation Function of the Adaptation Fund would conduct the ex-post assessments.*
- II. The ex-post evaluation would be conducted by independent evaluators, but selected by the Implementing Entity (IE).*
- III. An external third party selected by the Adaptation Fund could perform the ex-post evaluation.*

4. At the twentieth meeting, the PPRC reviewed the options prepared by the secretariat presented in the document AFB/PPRC.20/30, to arrange post-implementation learning and impact evaluations of Adaptation Fund projects and programmes. Based on the recommendation of the PPRC, the Board – at its twenty-ninth meeting – decided to request the secretariat:

(i) To undertake a revised analysis of the implications of options one and three for the ex-post assessment or evaluations of completed projects/programmes, as contained in document AFB/PPRC.20/30, taking into account:

- a) *The cost-effectiveness of the two options; and*
- b) *The discussions during the twentieth and twenty-first meetings of the Ethics and Finance Committee on the evaluation function of the Adaptation Fund; and*

(ii) To present the revised analysis to the Project and Programme Review Committee for its consideration at its twenty-second meeting.

(Decision B.29/29)

5. The secretariat has developed the present document, which presents the cost-effectiveness of the two options and, budget implications for ex-post evaluations included in the indicative three-year evaluation work programme (2018 – 2020) of the Evaluation Framework of the Adaptation Fund (the Fund). Furthermore, the present document also presents the revised analysis of the two options, with consideration to the Adaptation Fund Board decision to:

[...]

Approve the option of re-establishing a long-term evaluation function for the Adaptation Fund through a Technical Evaluation Reference Group (TERG), as described in documents AFB/EFC.20/3 and AFB/EFC.21/4

(Decision B.30/38)

Elements Related to Ex-Post Evaluations in an Indicative Three – Year Evaluation Work Programme

6. The secretariat would like to recall, the table presenting the total level of effort to implement the work plan, including ex-post evaluations, as presented in the table in document AFB/EFC.21/4.¹

Table 1: Effort to implement Three-Year Work Programme (including Ex-Post Evaluations)

Work Plan Activities	Effort (days)		
	2018	2019	2020
Review AF M&E Policy and Guidelines	10	0	5
Introduce impact indicators in M&E policy and guidelines	20	10	
Conduct quality control of available MTRs and TEs	63	66	66
Conduct Performance Evaluations	25	40	50
Conduct Ex-Post Evaluations	30	30	30
Conduct Country Studies	30	30	30
Conduct Thematic Evaluations	30		30
Conduct Overall Corporate Evaluation			285
<i>Total Effort (days) for ex-post evaluations</i>	50	40	30
Total Level of Effort (days)	208	176	496

7. Ex-post evaluations focusing in impact indicators and assessing how the project outputs and outcomes financed by the Fund have achieved transformational impacts over the long-term,

¹ https://www.adaptation-fund.org/wp-content/uploads/2017/10/AFB.EFC_.21.4-Updated-options-for-an-evaluation-function-and-cost-implications-Three-Year-Evaluation-Work-Plan.pdf

including their impacts on vulnerable groups (women, poor, marginalized and indigenous population) would be summarized and communicated in the Fund annual reports and briefing materials.

8. Ex-post evaluations as part of the evaluation work programme would apply to both options selected by the Adaptation Fund Board for cost-effectiveness analysis. Based on the Evaluation Framework of the Fund and the Board Decision B.29/30 to formulate an indicative three-year work program, it was proposed in document AFB/EFC.21/4 that the Evaluation Function of the Fund could tentatively undertake the following activities related to ex-post evaluation:

a) Review of the Fund's Monitoring and Evaluation (M&E) policy and evaluations guidelines to include impact indicators (one-time activity, to be eventually updated in mid-to-long term)

9. To undertake ex-post evaluations, the Fund's M&E indicators could be reviewed to include impact indicators for projects/programmes. This could be done by establishing baselines at their inception and developing M&E plans to monitor these impact indicators.

Table 2: Effort to introduce impact indicators in M&E Policy and Guidelines

Work Plan Activities	Effort (days)		
	2018	2019	2020
Review of M&E Policy and Guidelines	10	0	5
Introduce impact indicators in the M&E policy and guidelines	20	10	

b) Ex-post evaluations (to be performed continuously following an annual work programme)

10. A summary of these ex-post evaluations will be communicated in the Fund's annual reports.

Table 3: Effort to conduct Ex-Post Evaluations

Work Plan Activities	Effort (days)		
	2018	2019	2020
Conduct Ex-post Evaluations	30 (1)	30 (1)	30 (1)

The Evaluation Function (Technical Evaluation Reference Group) of the Adaptation Fund would conduct the ex-post evaluations

11. As presented in document AFB/PPRC.20/30, the designated body acting as the Evaluation Function of the Fund will include as part of its responsibilities managing and carrying out ex-post evaluations of completed projects and programmes on a systematic or sample basis. The secretariat would like to recall the Board Decision at the thirtieth meeting re-establishing a long-term evaluation function for the Adaptation Fund through a Technical Evaluation Reference Group (AF-TERG) (Decision B.30/38).

12. The AF-TERG would therefore include as part of its annual work programme ex-post evaluations of completed Adaptation Fund projects/programmes. The AF-TERG would be directly accountable to the Board under the oversight of the Ethics and Finance Committee (EFC).

13. On an annual basis, the AF-TERG would prepare an evaluation work programme and budget, following the evaluation framework requirements, to be discussed with the Ethics and Finance Committee (EFC) and approved by the Board. The AF-TERG would commission and oversee these ex-post evaluations with administrative support from the secretariat. The Adaptation Fund Board secretariat may also provide, on a need basis, technical support and such other support as needed to enable the team/unit performing this function to carry out its responsibilities effectively and efficiently.

14. In light of the new development above, options I and III presented in document AFB/PPRC.20/30 would both be considered to be undertaken under the oversight of the Evaluation Function, i.e. the AF-TERG. The difference in the two options would be whether the AF-TERG would rely on single consultants to perform the ex-post evaluations or whether it would enter into a memorandum of understanding or agreement with an external third party, being a think tank, university or similar institution.

Cost effectiveness analysis of options I and III

15. Under both options, the budget request would include the two main parts presented in document AFB/EFC.21/4: the fixed costs to fund the TERG and secretariat support, and variable costs to finance the work programme of the AF-TERG, including the budget for the effort to conduct ex-post evaluations.²

Table 4: Total Fixed Cost for the Evaluation Function (including ex-post evaluations)

Budget Item	2018	2019	2020
<i>TERG Members (3)</i>			
Fee (\$700 per day) ³	\$49,000	\$49,000	\$49,000
Travel to annual meeting (DC)	\$24,000	\$24,000	\$24,000
Travel to Board meetings (Chair)	\$14,000	\$14,000	\$14,000
<i>Secretariat support</i>			
Consultant (part-time \$700 per day, 25 days)	\$17,500	\$17,500	\$17,500
Support (half-time Program Analyst position) ⁴	\$45,000	\$45,000	\$45,000
General Costs (meeting costs)	\$600	\$600	\$600

Option I: The Evaluation Function of the Adaptation Fund commissions the ex-post assessments using individual consultants

16. The table presented in document AFB/EFC.21/4 has been updated in the present document, to include the budget for the effort to conduct Ex-Post Evaluations. The secretariat would like to bring attention that the 'Total Cost for the Evaluation Function' remains the same and, only "Fee" for consultants/ experts has been divided to include effort for each year 2018 –

² https://www.adaptation-fund.org/wp-content/uploads/2017/10/AFB.EFC_21.4-Updated-options-for-an-evaluation-function-and-cost-implications-Three-Year-Evaluation-Work-Plan.pdf

³ Includes 20 days per member per year plus 5 days per year for the Chair to participate to bi-annual Board meetings.

⁴ This staff position was updated to a full-time Evaluation Officer position in document AFB/EFC.22/3, resulting in an increase in the estimated fixed costs.

2020 for ex-post evaluations and introduction of impact indicators in the M&E policy and guidelines.

Table 5: Total Cost for the Evaluation Function (including ex-post evaluations)

Budget Item	2018	2019	2020
Consultants / Experts			
Ex-Post assessments (\$700 per day, 30 days) ⁵	\$21,000	\$21,000	\$21,000
Introduce impact indicators in the M&E policy and guidelines (\$700 per day for 20 days in 2018 and 10 days in 2019)	\$14,000 ⁶	\$7,000 ⁷	
Travel (ex-post evaluations) ⁸	\$20,000	\$20,000	\$20,000
Secretariat support			
Consultant (part-time \$700 per day, 5 days)	\$3500	\$3500	\$3500
<i>Total Cost for Ex-post evaluations</i>	\$44,500	\$44,500	\$44,500

17. Based on these figures, 44,500 from the annual budget would be set aside for conducting ex-post evaluations for AF projects/programmes.

Strengths and Opportunities

- a) It has been standard practice for independent evaluation units such as the Global Environment Facility Independent Evaluation Office (GEF- IEO) to conduct ex-post assessments as part of their work program, presenting an opportunity for the AF-TERG to learn from “in house” experience, including through working with the same pool of consultants.
- b) Using individual consultants for ex-post evaluations as part of the AF-TERG annual work programme would be cost-effective and limit transaction costs.

Weaknesses and Threats

- a) Identifying a pool of consultants with expertise in both climate change adaptation and ex-post evaluation might be challenging;
- b) The budget estimates might fluctuate to reflect the variable costs of experts for conducting ex-post evaluations.

Option II: An external third party selected by the AF-TERG could perform the ex-post evaluations

18. The AF-TERG would commission and oversee ex-post evaluations on behalf of the Board and its committees in accordance with the evaluation framework. Under its supervisory role, the AF-TERG could decide that the Fund contracts an external institution for ex-post evaluations.

⁵ As per Table in EFC document AFB/EFC.21/4, ‘Budget to Implement Three-Year Work Programme’, effort for activities related to conducting Ex-Post Evaluations are 30 days per year.

⁶ 20 days, US\$ 700 per day. This is not included in the total costs for ex-post evaluation.

⁷ 10 days, US\$ 700 per day. This is not included in the total costs for ex-post evaluation.

⁸ US\$ 10,000 is included from the original travel (general) budget for each year and adding an additional US\$ 10,000.

19. The operating modality under this option would include the AF-TERG acting as the supervisory group and involve a memorandum of understanding (MoU) between the external institution and the Fund.

20. The AF-TERG would commission and oversee ex-post evaluations with operational support from its dedicated secretariat and administrative support from the Board secretariat. The AF-TERG secretariat would prepare the Terms of Reference (TOR) under the guidance of the AF-TERG for such an external evaluation work programme that the EFC sees fit and as approved by the Board.

Table 6: Total Cost Estimate for external institution conducting ex-post evaluations

Budget Item	2018	2019	2020
Conduct Ex-Post Evaluations (\$700, 30 days)	\$21,000	\$21,000	\$21,000
Administrative costs of institution (Overhead costs of 10% - 15%)	\$6,000	\$ 6,000	\$6,000
Travel to project site ⁹	\$20,000	\$20,000	\$20,000
Secretariat support			
Consultant (part-time \$700 per day, 5 days)	\$3500	\$3500	\$3500
Total cost for an external Institution conducting the Ex-Post Evaluation	\$50,500	\$50,500	\$50,500

21. Based on these figures, an estimate of USD 50,500 per year would need be set aside for conducting ex-post evaluations for AF projects/programmes.

Strengths and Opportunities

- a) Might present an opportunity to form a partnership as the think tank/university might have a stake in the information that the study would generate and perhaps advance their own cause/program by the questions the evaluation is asking and the data generated;
- b) Therefore, costs of learning and knowledge generation would be embedded in the agreement with the external institution, while in the case of option 1 it would come as additional.

Weaknesses and Threats

- a) Costs associated with contracting an external institution could be much higher than the cost of ex-post evaluations being included in the work program of the Evaluation Function of the AF.
- b) Might impose constraints on the Fund in terms of an additional work load that would be needed to coordinate and monitor outputs of the external third party.
- c) The overheads for hiring think tanks/ academic institution are high and there might be substantial hidden costs.

⁹ This might be subject to increase, depending on number of experts visiting the project sites, if local capacity to collect data is not available.

- d) There might be difficulties in hiring third parties with a track record in both climate change adaptation and ex-post evaluations.

Recommendation

22. The Project and Programme Review Committee (PPRC) may want to consider the two options, i.e. Option 1, “using individual consultants” and Option 2, “through an External Institution selected by the AF-TERG” for conducting ex-post evaluations of completed Adaptation Fund projects and programmes under the supervision and guidance of the Technical Evaluation Reference Group of the Fund (AF-TERG), and to recommend the Adaptation Fund Board to convey the assessment of the two options as described in document AFB/PPRC.22/26 for the consideration of the AF-TERG, once it is established.