



ADAPTATION FUND

AFB/EFC.26.a-26.b/3
4 May 2020

Ethics and Finance Committee

**DRAFT STRATEGY AND WORK PROGRAMME
OF THE ADAPTATION FUND
TECHNICAL EVALUATION REFERENCE GROUP (AF-TERG)**

Background

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 was developed in accordance with international standards in evaluation; it includes evaluation principles and criteria and two overarching objectives. At its fourteenth meeting, the Board requested the secretariat and the Global Environment Facility - Independent Evaluation Office (GEF IEO)¹ to prepare a revised version of the evaluation framework to be presented to the Board at its fifteenth meeting (Decision B.14/23).

2. At its fifteenth meeting the Board reviewed two options to be considered for the implementation of the evaluation framework, i.e. a Technical Evaluation Reference Group (TERG) and support from GEF IEO. After considering the recommendation of the Ethics and Finance Committee (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 Adaptation Fund Board secretariat (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.

3. The final version of the evaluation framework² 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. On March 11, 2014, the Director of the GEF IEO withdrew the GEF IEO as the interim evaluation function of the Fund. The Board, at its twenty-third meeting in March 2014, took note of this communication by the Director.

4. The re-establishment of a long-term evaluation function for the Fund was discussed at the eighteenth meeting of the EFC in March 2016. Based on the recommendation of the EFC, the Board decided, at its twenty-seventh meeting, to:

[...]

- b) *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) 3.

5. At its nineteenth meeting, the EFC reviewed options prepared by the Adaptation Fund Board (AFB) secretariat and presented in document AFB/EFC.19/5, to re-establish a long-term evaluation function for the Fund. Based on the recommendation of the EFC, the Board - at its twenty-eighth meeting – decided:

to request the secretariat to present further information on Option 1, “Through the GEF Independent Evaluation Office (GEF IEO)” and Option 2, “Through a Technical Evaluation

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

² Available at: https://www.adaptation-fund.org/wp-content/uploads/2015/01/Evaluation_framework.pdf

Reference Group (TERG)” as set out in document AFB/EFC.19/5, including cost implications, for consideration by the EFC at its twentieth meeting.

(Decision B.28/36)

6. The secretariat presented such further information on the two options in document AFB/EFC.20/3, which was reviewed by the EFC at its twentieth meeting in March 2017. Discussions included cost implications, recognising that a large proportion of the costs would vary according to the Fund’s evaluation needs and that to assess the costs of the evaluation function, it is necessary to review the evaluation requirements over the next 2-3 years. Based on the recommendation of the EFC regarding the two options for the evaluation function, at its twenty-ninth meeting, the Board decided:

- a) *To request the secretariat to prepare, for consideration by the Ethics and Finance Committee at its twenty-first meeting, a document containing, for each of the two options, additional information on:*
 - i. *An indicative three-year work program, including estimated costs, for the evaluation function based on the foreseen workload, including the expected numbers of medium-term and final evaluations and other evaluations to be carried out; and*
 - ii. *How the necessary technical expert guidance and inputs would be arranged at the set-up stage of the function and during its implementation, including possible assistance provided by the Global Environment Fund Independent Evaluation Office (GEF-IEO), should Option 2 be selected, or by a Technical Evaluation Reference Group, should Option 1 be selected.*

(Decision B.29/30)

7. The secretariat had developed and presented to the Board at its thirteenth meeting document AFB/EFC.21/4 referred in decision B.29/30 above which presented budget implication for an indicative three-year evaluation work programme for each option. The document also included the technical expert guidance and inputs needed to set up the evaluation function for each option. The Board decided:

- a) *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;*
- b) *To request the secretariat:*
 - i. *To make the necessary arrangements for the establishment of the TERG, as described in document AFB/EFC.21/4;*
 - ii. *To prepare the terms of reference of the TERG for consideration by the Board intersessionally;*
 - iii. *To recruit the experts constituting the TERG following the Board’s approval of the terms of reference as per sub-paragraph (b) (ii); and*

- iv. To present a budget and work plan for the TERG for consideration by the EFC at its twenty-second meeting;*
- c) To invite the Independent Evaluation Office of the Global Environment Facility to support the secretariat in setting up the TERG through providing guidance/advice; and*
- d) To request the EFC to review the long-term evaluation function of the TERG at its twenty-ninth meeting.*

(Decision B.30/38)

8. To implement the decision above, the secretariat drafted the Terms of Reference of the TERG and shared them with the GEF-IEO and the secretariat of the Global Fund's Technical Evaluation Reference Group, for their inputs and advice.

9. Having considered the comments and recommendation of the EFC, the Board decided at its thirty-first meeting in March 2018:

- a) To approve the terms of reference of the Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG) as contained in Annex III to the report of the Board (AFB/B.31/8);³*
- b) To approve the amendment to the terms of reference of the Ethics and Finance Committee (EFC) as contained in Annex IV to the report of the Board (AFB/B.31/8);*
- c) To establish the AF-TERG Recruitment Working Group composed of the following Board members and alternates: Mr. Ibila Djibril (Benin, Africa), Mr. Marc-Antoine Martin (France, Annex I Parties), Ms. Barbara Schäfer (Germany, Annex I Parties) and Ms. Margarita Caso (Mexico, Non-Annex I Parties); and*
- d) To request the AF-TERG Recruitment Working Group, with the support of the secretariat, to undertake the necessary arrangements for the recruitment of the AF-TERG chair and four members intersessionally between the thirty-first and thirty-second meetings of the Board and to report back to the EFC at its twenty-third meeting.*

(Decision B.31/25)

10. On February 24, 2019, inter-sessional decision B.32-33/15 resulted in the appointment of the Chair of the Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG)

Following the recommendation of the Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG) Recruitment Working Group, and in line with the Terms of Reference of the AFTERG as contained in Annex III to the report of the thirty-first meeting of the Adaptation Fund Board (AFB/B.31/8), the Board decided to appoint Ms. Eva Lithman as the Chair of the AF-TERG.

(Decision B.32-33/15)

³ Available at: <https://www.adaptation-fund.org/wp-content/uploads/2018/07/AFB.B.31-final-report.pdf>

11. On May 1, 2019, Dennis Bours was hired as Evaluation Officer / Coordinator of the AF-TERG secretariat.

12. At the thirty-fourth Board meeting the manager reported - as noted in meeting report AFB/B.34/20 - that the AF-TERG had completed the selection process for four members and had held their first in-person meeting⁴ with the Members to discuss the setup, mandate, communication channels and expectations. Preliminary work had taken place on the AF-TERG work programme, with a focus on evaluative components and products.

Proposed Multi-year Work Programme and Budget

13. The AF-TERG has prepared a draft multi-year strategy and work programme for consideration by the EFC intersessionally, which is contained in Annex 1. The document in Annex 1 sets out the first draft strategy and work programme for fiscal years 2021, 2022 and 2023 (FY21 to FY23), ie. July 1, 2020 to June 30, 2023. Also included in the document is an explanation of the evaluation budget component, part of the proposed administrative budget for the AF-TERG for fiscal years 2021 and 2022 (FY21 to FY22), ie. July 1, 2020 to June 30, 2022. The complete proposed administrative budget of the AF-TERG can be found in document AFB/B.26.a-26.b/1, titled "Administrative Budgets of the Board and Secretariat, and Trustee for Fiscal Year 2021 and the AF-TERG and its Secretariat for Fiscal Year 2021-2022."

14. The proposed AF-TERG strategy and work programme takes a longer-term planning perspective covering FY21 to FY23 for the work items, and FY21 to FY22 budget-wise. Evaluative work items often have longer timeframes, follow a phased or iterative approach, and often cross fiscal year boundaries. Two-year budgeting enables the AF-TERG to enter into longer-term contracts beyond a fiscal year and enhances the continuity of activities being implemented across two fiscal years, otherwise the continuation is administratively disrupted at the end of a fiscal year. The AF-TERG considered a three-year budget aligned with its three-year strategy and work programme, but in the end decided on a two-year budget to balance continuity of work against budget accuracy. The longer the timeframe, the more difficult it is to make accurate cost projections.⁵

15. No changes to the Fund's trust fund structure are needed to facilitate two-year budgeting and transfers, and the budget will be adjusted on a rolling basis. At the last Board meeting of FY21, there will be a preliminary budget reconciliation of that fiscal year; remaining funds will carry over to the next fiscal year, and proposed adjustments will be made for FY22 for money unspent and for budget adjustments needed for projected expenses in that second fiscal year. In that same Board meeting the AF-TERG will propose the budget for FY23 for consideration by the EFC and subsequent approval by the Board and transfer by the Trustee, creating a new two-year budget,

⁴ This took place in the sidelines of the Sixth Annual Climate Finance Readiness Seminar for accredited NIEs in Antigua and Barbuda, August 4 to 10, 2019.

⁵ Even with a perfect longer-term budget projection it would be impossible to foresee new evaluation requests by the Board, or external events impacting the implementation of the work programme. The use of three-year budgets could be revisited when more accurate historical budget information becomes available from implementing the AF-TERG work programme.

consisting of the last year of the previous two-year budget, FY22, and one new upcoming fiscal year, FY23.

16. The practice of multi-year budgeting is seen more often in evaluation functions. The Food and Agriculture Organization of the United Nations (FAO) Office of Evaluation – for example – currently works with an indicative rolling three-year work plan of evaluations,⁶ and a rolling two-year program of work and budget.⁷ The evaluation function of United Nations Population Fund (UNFPA) works with a four-year budget, which is adjusted on a rolling basis.⁸

Recommendation

17. The Ethics and Finance Committee (EFC) may want to consider recommending the Board to consider the draft strategy and work programme of the Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG), contained in Annex 1 of document AFB/EFC.26a-26b/3 and decide to:

- a) Approve the draft strategy and work programme of the AF-TERG contained in Annex 1 of the document AFB/EFC.26.a-26.b/3 as amended by the Board.

⁶ FAO. 2019. Indicative Rolling Work Plan of evaluations 2020-2022. Document number PC 127/6.

⁷ FAO.2019. Adjustments to 2020-21 Net Appropriation by department and office. Document number CL 163/3-WA6.

⁸ UNFPA. 2018. Quadrennial budgeted evaluation plan, 2018 – 2021. Document number DP/FPA/2018/1.

Annex 1



**DRAFT STRATEGY AND WORK PROGRAMME
OF THE ADAPTATION FUND
TECHNICAL EVALUATION REFERENCE GROUP (AF-TERG)**

SECTION I. ADAPTATION FUND TECHNICAL EVALUATION REFERENCE GROUP

1. This document sets out the first draft strategy and work programme and proposed administrative budget for the Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG) for fiscal years 2021, 2022 and 2023 (FY21 to FY23), ie. July 1, 2020 to June 30, 2023, for work items, and for fiscal years 2021 and 2022 (FY21 to FY22), ie. July 1, 2020 to June 30, 2022, for the proposed administrative budget of the AF-TERG.

About the Adaptation Fund Technical Evaluation Reference Group

2. The AF-TERG was established as a long-term evaluation function by the Adaptation Fund Board (the Board) in 2017 with its mandate approved in 2018 to ensure the independent implementation of the Fund's evaluation framework. This includes ensuring:

- a) accountability for the achievement of the Fund's objectives, and
- b) lesson learning and sharing for improved decision-making and policies, strategies, programmes and projects among different groups participating in the Fund.

3. Supported by a small dedicated secretariat, the AF-TERG comprises a part-time Chair, four part-time independent evaluation experts and the Manager of the Adaptation Fund Board secretariat (the AFB secretariat) as ex officio member. The AF-TERG became effective on July 1, 2019 when the four members were appointed (the Chair and the AF-TERG secretariat started their functions earlier in 2019). These initial AF-TERG members, appointed for a three-year term, have diverse backgrounds including evaluation and climate change, development (including climate financing), research, philanthropy, and non-governmental organisations. They have worked in developed and developing countries.

4. While functionally independent of the Board and the AFB secretariat, the AF-TERG is dedicated to responding to the accountability, learning and adaptive management needs of the Fund, its partners and stakeholders. The AF-TERG is accountable to the Board through the Ethics and Finance Committee (EFC).

Main Functions

5. The AF-TERG is expected to carry out its mandate by undertaking three main functions:

- a) Evaluation: Independently commissioning the evaluation of the relevance, effectiveness, efficiency and sustainability of the Fund aimed at improving the contributions of the Fund. This includes review and evaluation of Fund processes and decisions, supported projects and programmes as well as drawing key findings, lessons, conclusions, and recommendations.
- b) Advisory: Providing guidance and advice for evaluative functions within the Fund to ensure improved and consistent measurement of results and contributions to adaptive management.

- c) Oversight: Providing quality control of evaluation requirements and practice in the Fund, including tracking implementation of Board decisions related to evaluation recommendations.

Developing the Work Programme

6. At its first in-person meeting in August 2019, the AF-TERG decided to start its tenure with an initial scoping and diagnostic phase of work to inform the development of its first multiyear work programme presented in this document. In order to understand and respond to the evaluation needs and expectations at programme / project, strategy and governance levels, the AF-TERG has held interviews and conversations with members of the Board, the AFB secretariat and observers to the Fund. These are to be followed by similar interactions with Designated Authorities (DAs), Implementing Entities (IEs), civil society organisations (CSOs), private sector, communities, UNFCCC community, donors and other stakeholders relevant to the implementation of the proposed work programme.

7. The initial conversations with the Board, observers and AFB secretariat have indicated a range of issues related to monitoring, evaluation and learning (MEL) as well as themes related to the operations, strategies and governance of the Fund to be further explored in the context of the AF-TERG work programme. New issues and topics will emerge as the AF-TERG is developing and implementing its strategy and work programme and further engage with IEs and other Fund partners.

8. In addition to the initial consultation process the AF-TERG has commissioned three studies related to evaluation practice, an evaluability assessment of projects/programmes in the Adaptation Fund (AF) portfolio, a review of approaches to ex post performance evaluations and an overview of innovative approaches to monitoring, evaluation and learning related to action to adapt to climate change. The planned outputs and activities for FY 2020 are summarised in Table 1 under "Progress by June 30, 2020".

SECTION II. GUIDING PRINCIPLES, STRATEGIC CHOICES AND WORK CULTURE

9. In developing the proposed work programme, the AF-TERG has been guided by the following principles and strategic choices:

- a) **Responsiveness to the Fund's evaluation priorities at operational, strategy and governance levels.** The work programme should respond to priority evaluation needs and expectations of the Fund's key partners, at governance, strategic, programmatic levels. To this end the AF-TERG interacts with the Board, the AFB secretariat, IEs and other key partners to hear and discuss priority issues on an ongoing periodic basis.
- b) **Exploring synergies with the AFB secretariat and Fund partners.** The AF-TERG has so far identified potential areas of synergy with the AFB secretariat such as knowledge management and learning, MEL capacity building and innovation, readiness, communication. Some joint capacity building and learning activities are included in the work plan and indicate how the AF-TERG could engage with partners to the Fund in some aspects of the AF-TERG's work, while at the same time ensuring the independence and integrity of the AF-TERG. Furthermore, the AF-TERG will explore synergies with other partners such as DAs, IEs, CSOs and other climate funds.
- c) **Drawing on good practice in the evolution of monitoring, evaluation and learning in climate change adaptation.** The AF-TERG is taking account of the global trends driving the evolution of MEL, including:
 - i) the increased demand for more nimble data and learning in response to the urgency of the climate change crisis and growing inequality;
 - ii) the increased focus on complexity, risk and uncertainty;
 - iii) the growing interest in innovation (including disruptive innovation)⁹ to shift mindsets, enable and incentivise experimentation, and new ways of thinking and doing work;
 - iv) the emergence of evaluators and knowledge networks in developing countries as key players in the global evaluation architecture;
 - v) the continuing development of evaluation approaches of potential value to the Fund;
 - vi) the continuing existence of important gaps related to evaluating environmental issues and adaptation to climate change specifically, and the recognition of the interdependence of social systems and ecological systems, including work that is currently undertaken outside the evaluation realm; and

⁹ Disruptive innovation refers to a new development that induces transformational change; it dramatically changes the way a structure, market, sector or industry functions. The concept has been used in the climate change space to address opportunities and challenges in harnessing the potential of disruptive technologies and emerging social trends towards sustainability.

- vii) the lack of consensus on what constitutes good adaptation and/or resilience, and how to assess success in this field.
- d) Taking an iterative, co-generation and co-learning¹⁰ approach.** The proposed work programme of the AF-TERG is multiyear and will be adjusted annually. The AF-TERG is adopting an iterative, co-generation and co-learning approach to its work, aiming to ensure that the knowledge and learning is owned and embedded in the work of the Fund and its partners. The iterative nature of the AF-TERG approach leaves room for new and emerging opportunities and challenges as the work programme is being implemented.
- e) Getting the most from human and financial resources invested on MEL.** ‘Cost effectiveness’ was a major factor in choosing the TERG model for the evaluation function of the Fund. The AF-TERG aims to provide efficient use of available human and financial resources by seeking cost effective work modalities and evaluation approaches, building synergies with the AFB secretariat, Fund partners and MEL stakeholders, piggybacking on relevant events and optimising the use of e-based communication and online engagement. Assessing the cost effectiveness of the TERG model should be included in a proposed review of the AF-TERG to be commissioned towards the end of the three-year work programme.
- f) Ensuring a focus on both natural and human systems.** Interventions related to climate change as well as mainstream development evaluation, often focus on and privilege one system over the other. The AF-TERG will intentionally ensure that the framing of MEL work for the Fund takes a balanced approach to human and natural system in the AF-TERG’s evaluation and learning work.

Work Culture

10. Consisting of a small expert group assisted by an equally small secretariat the AF-TERG is an unusual evaluation function. As part of its initial work the reference group has adopted the following guidance on the work culture of the AF-TERG members and the AF-TERG secretariat:

“As members of the AF-TERG, we individually and collectively commit to working together, giving our best, exercising mutual respect and engaging in constructive dialogue, and sharing roles and responsibilities equitably among ourselves. We undertake to continuously and critically reflect, learn and improve the evaluation practice and systems of the AF-TERG and are open to novel approaches and developments in monitoring, evaluation and learning. We recognise and will respond to our responsibilities to the broader field of climate and adaptation and mitigation evaluation and practice. We will be welcome opportunities to learn from and contribute to efforts by others to develop and deploy MEL at all levels for climate adaptation.”

¹⁰ Co-learning, or collaborative learning, is the process in which two or more individuals are working together to achieve a common goal, and by working together learn from one another. As part of its culture, the AF-TERG intends to function collaboratively and constructively, working closely with key stakeholders of the Fund when developing strategic monitoring and evaluation approaches, tools and processes and in the generation of learning for improving the performance and contributions of the Fund at all levels.

SECTION III. INTENDED OUTCOMES AND PROGRESS

11. In understanding the role that the AF-TERG can and should play in supporting the Fund to achieve impact, the AF-TERG has developed a theory of change to articulate the intended outcomes (changes) that their work should lead to in adding value and enhancing the relevance, effectiveness, efficiency and sustainability of the Fund's support and investments.

Intended Outcomes

12. The intermediate and long-term outcomes guiding the AF-TERG work programming are as follows:

Long-Term Outcomes:

- i) MEL knowledge is absorbed and used by the Fund and its partners at all levels to influence and enhance impact and increase resources for adaptation activities;
- ii) Relevance and quality of AF projects, programmes, policies, processes and performance are enhanced;
- iii) Adaptation Fund behaviour to enhance climate change adaptation has improved.

Intermediate Outcomes:

- i) Solution-focused understanding of the Fund's evaluation needs and expectations;
- ii) Co-learning, productive and trustful relationships and processes;
- iii) Fit-for-purpose evaluation tools and approaches are developed and used;
- iv) Evaluation results and learning insights articulated and utilised within the Fund;
- v) Enhanced planning, monitoring, evaluation and learning capacity across the Fund;
- vi) Utilisation of Adaptation Fund evaluation insights beyond the Fund.

Assumptions

13. The success of the AF-TERG is based on the following assumptions:

- a) The Board, AFB secretariat, DAs, IEs and other Fund partners value, demand and utilise MEL knowledge and the Board provides sufficient human and financial resources to undertake quality evaluative, oversight and advisory work;
- b) The TERG has the capacity and trusted relationships needed to produce knowledge through collaborative MEL processes and products;

- c) Knowledge from MEL products and processes is relevant, high quality, timely, credible, legitimate, innovative and effective;
- d) The Board, AFB secretariat, DAs, IEs and other Fund partners value and incentivise MEL experimentation and innovation;
- e) MEL products, processes and knowledge contribute to improvements and adaptive management of projects as well as of the Board and the AFB secretariat.

Progress by June 30, 2020

14. The proposed AF-TERG strategy and work programme builds on preparatory and scoping activities undertaken by the AF-TERG during its first year of operation, fiscal year 2020 (FY20; July 1, 2019 – June 30, 2020). Table 1 outlines outcome areas and outputs as expected by the end of FY20. As reflected in the first part of the work programme the first year of the AF-TERG operations has involved activities to get the AF-TERG established and to start defining its work modalities and priorities. Table 1 is a condensed presentation of activities and outputs from the first year of AF-TERG operations according to the Intermediate Outcome areas for the group, outlined in the previous chapter.

Table 1: AF-TERG outputs by the end of FY20

Intermediate outcome areas	Outputs
1. Solution-focused understanding of the Fund’s evaluation needs and expectations on the AF-TERG	1.1 AF-TERG work principles produced 1.2 MEL needs and expectations of the Fund explored 1.3 AF-TERG theory of change developed as internal working document 1.4 Terms of Reference for AF-TERG operations manual developed 1.5 AF-TERG strategy and work programme document presented to and approved by the Board.
2. Co-learning, productive and trustful relationships and processes	2.1 Fund partner interaction through outreach (providing information), information exchange (listening and acknowledgement of views, ideas and concerns) and seeking advice on AF-TERG strategy, work programme and approaches (Board members, AFB secretariat, IEs, and CSOs).

Table 1: AF-TERG outputs by the End of FY20 *(Continued)*

Intermediate outcome areas	Outputs
3. Fit-for-purpose evaluation tools and approaches	3.1 Foundational study for the development and testing of an approach to ex post project evaluations completed 3.2 Draft evaluability discussion note produced 3.3 Innovative MEL practices with potential value for the Fund identified 3.4 Terms of Reference for reviewing and revising the AF Evaluation Framework and guiding instruments produced.
4. Evaluation results and learning insights articulation and utilisation within the Fund	4.1 Terms of Reference for the mid-term review of the Medium-Term Strategy (MTS) formulated 4.2 Terms of Reference formulated for Innovation study linked to the mid-term review of the MTS 4.3 Key issues and themes for AF-TERG evaluations identified in consultation with the Fund and Fund partners 4.4 Evaluation synthesis from Final Evaluations produced.
5. Enhanced planning and MEL capacity across the Fund	5.1 The evaluability assessment study and the study on ex post evaluation approaches provide feedback and enhance the planning and monitoring of the Fund and its partners.
6. Utilisation of Adaptation Fund evaluation insights beyond the Fund	6.1 Innovative MEL insights in the adaptation field shared 6.2 Adaptation Fund visibility in the evaluation space of climate change adaptation and sustainability built (Participation in Earth-Eval Conference October 2019 in Prague) 6.3 Evaluation lessons from GCF IEU, GEF IEO, CIF and related climate fund organisations and evaluation units drawn.

SECTION IV. MULTI-YEAR WORK PROGRAMME AND BUDGET PROPOSAL

15. The proposed AF-TERG strategy and work programme takes a longer-term planning perspective covering FY21 to FY23 for the work items. Evaluative work items often have longer timeframes, follow a phased or iterative approach, and often cross fiscal year boundaries. The budget request for the evaluation function will cover two fiscal years, FY21 and FY22. Two-year budgeting enables the AF-TERG to enter into longer-term contracts beyond a fiscal year and enhances the continuity of activities being implemented across two fiscal years, otherwise the continuation is administratively disrupted at the end of a fiscal year. The AF-TERG considered a three-year budget aligned with its three-year strategy and work programme but decided on a two-year budget to balance continuity of work against budget accuracy; the longer the timeframe, the more difficult it is to make accurate cost projections.¹¹

16. During the period FY21 to FY23 the AF-TERG will continue to establish itself as the long-term independent evaluation function of the Adaptation Fund. The three-year planning timeframe of this Work Programme will allow the AF-TERG to consolidate its work approaches and modalities towards the intended intermediate and final outcomes outlined. It is also responding to the requests from the Board to review the Evaluation Framework of the Adaptation Fund and to carry out a mid-term and final evaluation of the Medium-Term Strategy of the Fund.

17. A two-year budget will greatly facilitate the planning and execution of the work programme by allowing for both predictability and flexibility. This is of great value not least when undertaking comprehensive evaluation tasks that necessitate an iterative and participatory approach. It will also enable the AF-TERG to easier meet upcoming demands, both related to evaluation and to the advisory services of the AF-TERG.

AF-TERG Work Programme (FY21 to FY23 - July 1, 2020 to June 30, 2023)

18. The proposed AF-TERG work programme for FY21 to FY23, July 1, 2020 to June 30, 2023, is based on the strategic choices and priorities emerging from scoping and diagnostic work during the first year of the AF-TERG operations, as presented in the two previous sections and in Table 1. The following proposed work programme sets out the activities that will be conducted, and the outputs that will be generated to achieve the intermediate outcomes of the work of the AF-TERG (Table 2).

19. The work programme will be continually reviewed and updated by the AF-TERG and updates will be reported yearly, for presentation to the EFC for its review in conjunction with the consideration of the proposed budget and budget adjustments. Reporting on completed and ongoing work elements will take place semi-annually.

¹¹ Even with a perfect longer-term budget projection it would be impossible to foresee new evaluation requests by the Board, or external events impacting the implementation of the work programme. The use of three-year budgets could be revisited when more accurate historical budget information becomes available from implementing the AF-TERG work programme.

Table 2: AF-TERG Indicative Work Programme FY21-FY23

Intermediate outcome areas	Outputs	Activities
1. Solution-focused understanding of the Fund's evaluation needs and expectations on the AF-TERG	New knowledge on the Fund's evaluation approaches, processes and needs	<ul style="list-style-type: none"> • Conduct country scoping studies (FY 20-21) • Regular reviews and reflection e-based meetings • AF-TERG in person meetings (half-yearly) • Update AF-TERG theory of change and AF-TERG operations manual as needed.
2. Co-learning, productive and trustful relationships and processes	Clear, productive communication and interaction with key stakeholders	<ul style="list-style-type: none"> • On-going collaborative MEL engagements with the AFB secretariat, Board and IEs, CSOs and others in the evaluation and climate change communities.
3. Fit-for-purpose evaluation tools and approaches	Evaluation tools developed and/or revised	<ul style="list-style-type: none"> • Review and revise the Evaluation Framework in collaboration with the AFB secretariat (FY20-FY22) • Develop and share guide on ex-post evaluations • Develop and share note on evaluability and evaluability assessment • Produce guidance on conducting project level mid-term reviews and terminal evaluations in consultation with the AFB secretariat, IEs, and CSOs.
4. Evaluation results and learning insights articulation and utilisation within the Fund	<p>Performance of the MTS and adjustments needed established</p> <p>MEL insights synthesised and shared</p>	<p>Commission / conduct:</p> <ul style="list-style-type: none"> • Mid-term review of the MTS (FY21) • Evaluation of the MTS (FY22-FY23) • 1-2 thematic/performance reviews/evaluations (yearly)

Table 2: AF-TERG Indicative Work Programme FY21-FY23 (Continued)

Intermediate outcome areas	Outputs	Activities
4. Evaluation results and learning insights articulation and utilisation within the Fund	Performance of the MTS and adjustments needed established MEL insights synthesised and shared	<i>(Continued)</i> <ul style="list-style-type: none"> • 1-2 ex post evaluations (yearly) • Evaluative gap mapping¹² for 1 or 2 strategic topics • Review of Adaptation Fund evaluation reports for MEL insights (yearly) • Overall evaluation of the Fund (FY 23) • Review of the AF-TERG (FY 23-24).
5. Enhanced planning, monitoring, evaluation and learning capacity across the Fund	Collaborative working relationship with AFB secretariat fostered MEL capacity in some IEs developed	<ul style="list-style-type: none"> • Hold 1 MEL workshop with the AFB secretariat (Yearly), • Hold 1 capacity development and co-learning seminar with partners in collaboration with the AFB secretariat.
6. Utilisation of Adaptation Fund evaluation insights beyond the Fund	Climate change adaptation (CCA) evaluation trends and good practices identified and shared with the CCA community	<ul style="list-style-type: none"> • Network with MEL functions of other climate change funding organisations and regional networks • Produce MEL blogs, prepare and present conference papers, keep the current website updated and develop a dedicated interactive website for the AF-TERG.

¹² Evaluative gap mapping refers to a visual overview of existing and ongoing studies or reviews in a sector or sub-sector in terms of the types of programmes evaluated and the outcomes measured. In FY21, the AF-TERG will map out existing and ongoing evaluations to identify lessons and experiences within the AF portfolio and outside but relevant to it.

Implementing the AF-TERG Work Programme – Three Workstreams

20. The MEL work above will be managed and implemented in three workstreams that broadly correspond to the three functions of the TERG, Evaluation, Advisory and Oversight:

- a) Workstream 1: Conducting Strategy and Programme Evaluations;
- b) Workstream 2: Enhancing MEL Capacity and Tools;
- c) Workstream 3: Co-generating Evaluative Knowledge and Insights.

21. The Advisory and Oversight functions of the Reference Group will span the three workstreams. The Evaluation function is embedded in Workstream 1.

Workstream 1: Conducting Strategy and Project/Programme Evaluations

22. Workstream 1 focuses on the review and evaluation of the Medium-Term Strategy (MTS), thematic evaluations and the overall model and performance of the Fund, centred around the core features and niche of the Fund.

23. The review of the five-year Medium-Term Strategy 2018-2022 will assess progress made in the implementation of targets and outputs expected (to be done in FY21) to inform the current strategy as well as the designing of the next. The evaluation of the strategy will take place after the end of the strategy period to summarise achievements and lessons learned. Over the MTS period the AF-TERG will carry out a phased series of assessments of processes and policies implemented under the three pillars of the MTS: Action, Innovation and Learning and Sharing, the effectiveness and efficiency of the governance of the Fund and the actual and expected outcomes and impacts of the Fund's portfolio. Main processes and policies to be evaluated include Direct Access, Accreditation, Readiness Programme, the Environmental and Social Policy (ESP), and the Gender Policy and Action Plan.

24. Innovation is and will continue to be a key feature of the MTS and the mission of the Fund. The AF-TERG will propose to conduct an assessment of the experience on how the concept of innovation is applied by the Fund as well as of examples of innovative climate change actions. An initial conceptual study and overview will be initiated during the FY20. Both the review and the evaluation of the MTS will provide inputs to the Overall Evaluation of the performance of the Fund in 2023. A preparatory scoping study will be initiated in FY21.

25. Thematic evaluations of Fund performance will provide perspectives on core features of the AF, such as the country driven and innovative character of Fund operations with a view to assessing the potential for scale up and longer-term impact. This includes exploring how projects and programmes conceptualise and address vulnerability and adaptation to climate change.

Workstream 2: Enhancing MEL Capacity across the Fund

26. Workstream 2 focuses on reviewing and updating the Fund's Evaluation Framework and associated tools and guidance. The Evaluation Framework is a key document supporting the implementation of the evaluation function in the Fund and guiding AF evaluation practice. During FY20 an initial gap analysis was carried out and Terms of Reference for the further review and revision of the Evaluation Framework was elaborated. The purpose of the revision will be to reflect the evolution of the Fund since the Framework was amended in 2012 and the advances in the evaluation and climate change adaptation community. The review will include updating the evaluation tools used to assess projects and programmes at mid-term and at completion.

27. This workstream will include enabling capacity building initiatives to strengthen the Fund's in-house MEL capacity and that of Fund partners. Specific attention will be paid to the capacities needed to ensure improvements in the quality of projects and programmes as well as Readiness, Innovation and Learning grants. The AF-TERG will draw on and contribute to evaluation practices that enhance the capacity of vulnerable populations to adapt to the effects of climate change.

Workstream 3: Co-generating Evaluative Knowledge and Insights

28. Working with the AFB secretariat, IEs, CSOs and other partners, Workstream 3 will include collaborative co-generation of evaluative knowledge and insights of the work of the Fund, exchanging experience with peers involved in MEL related to climate change adaptation, learning from innovation results, and tracking of implementation of evaluation results and actions including management responses to previous evaluations. For example, each year one or two topics may be selected to conduct an evaluative gap mapping exercise to identify lessons and experiences within the AF portfolio and from outside. This knowledge will be synthesised and the AF-TERG would organise an event for project teams to discuss, validate and extrapolate this knowledge and develop plans for closing knowledge gaps. The topics could be discussed using country or sector context.

29. This workstream will also include country scoping studies, regular e-based meetings and two AF-TERG in-person meetings each year. Under this work stream are outreach activities, production of papers and contributions to conferences and seminars and the maintenance and development of an interactive AF-TERG website.

AF-TERG Two-year Budget (FY21 to FY22 - July 1, 2020 to June 30, 2022)

30. The AF-TERG proposed multi-year budget for FY21 to FY22, July 1, 2020 to June 30, 2022, will support the conduction of AF-TERG ongoing evaluative work and operations. The budget proposal in Table 3 sets out the draft budget for the activities that will be implemented in FY21 – FY22. The focus in Table 3 is on the evaluation budget component, part of the proposed administrative budget for the AF-TERG for FY21 to FY22. The operational components of the proposed administrative budget are further discussed in document AFB/B.26.a-26.b/1, titled "Administrative Budgets of the Board and Secretariat, and Trustee for Fiscal Year 2021 and the AF-TERG and its Secretariat for Fiscal Year 2021-2022."

Table 3 AF-TERG FY21-FY22 Budget Proposal

<i>All amounts in US\$</i>	FY21 Proposed	FY22 Proposed	FY21-22 Proposed
AF-TERG chair, members and TERG secretariat personnel, travel, meeting cost and general operations expenses			
TOTAL OPERATIONAL COMPONENTS	605,028	625,554	1,230,582

<i>All amounts in US\$</i>	FY21 Proposed	FY22 Proposed	FY21-22 Proposed
EVALUATION COMPONENT			
01 Development of AF-TERG operational guidance. As the TERG is evolving the work processes of the function will be defined with external support.	30,000	-	30,000
02 Review/revision of the Evaluation Framework of the Adaptation Fund. During FY 20 the AF-TERG carried out an initial gap analysis of the Evaluation Framework and Terms of Reference were elaborated to guide the review and revision of the framework. The Evaluation Framework will be revised in consultation and collaboration with the AFB secretariat and Fund partners and will draw on experiences of other comparable organisations and current developments in the MEL field as well as findings from the evaluability assessment carried out during FY 2020. Revision and preparation of guidance for project level evaluations. Guidance documents for mid-term reviews and terminal evaluations will be produced and additional needed guidance identified and produced.	85,000	80,000	165,000

Table 3 AF-TERG FY21-FY22 Budget Proposal (Continued)

<i>All amounts in US\$</i>		FY21 Proposed	FY22 Proposed	FY21-22 Proposed
<i>< Continued ></i>				
<p>Consultation, dissemination and capacity building of the Evaluation Framework and project level evaluation guidelines.</p> <p>A plan for consultation, dissemination and capacity building and guidance documents will be developed and implemented. A first draft revised Evaluation Framework will be presented to the EFC for comments at its twenty-sixth meeting in March 2021. A final version of the Evaluation Framework of the AF to be presented at the twenty-seventh meeting of the EFC in October 2021.</p>				
03	<p>Co-learning and capacity building.</p> <p>The AF-TERG will also carry out its advisory function through interaction and collaboration with the AFB secretariat and Fund partners. For the FY21 and FY22 the TERG is planning 2-3 yearly workshops / seminars with the support of external experts. The format for these activities remains to be defined and will be coordinated with the AFB secretariat:</p> <p>1 MEL workshop with the AFB secretariat (Yearly),</p> <p>1 MEL workshop on innovative approaches to monitoring and evaluation of action to mitigate against negative effects of climate change (FY21) with Fund partners,</p> <p>1 MEL capacity development and co-learning seminar with Fund partners (Yearly).</p>	65,000	90,000	155,000

Table 3 AF-TERG FY21-FY22 Budget Proposal (Continued)

<i>All amounts in US\$</i>		FY21 Proposed	FY22 Proposed	FY21-22 Proposed
04	<p>MTS mid-term review (MTS 1).</p> <p>The Board decided on a mid-term review of the Medium-Term Strategy (MTS). The purpose of the commissioned review is to track the implementation of the MTS identifying progress and suggesting course correction as needed. The review will identify knowledge gaps and areas for further analysis. The review will be presented at the twenty-eighth meeting of the EFC in March 2021.</p>	60,000	-	60,000
05	<p>MTS evaluation (MTS 2) and preparation for the Overall Evaluation.</p> <p>A final evaluation of the MTS will be carried out in FY23 after completion of the five-year strategy period. The evaluation will be coordinated with an Overall Evaluation of the Adaptation Fund planned for FY23. During FY22 preparatory work will be commissioned.</p>	-	80,000	80,000
06	<p>Studies and thematic evaluations. (Two per year @ US\$ 50,000 each)</p> <p>Studies and evaluations on issues and themes identified during AF-TERG consultations will be commissioned. These will also inform the final evaluation of the MTS and the Overall Evaluation of the AF. Priorities will be made on an ongoing basis and reported to the EFC/AFB. The following areas have been tentatively identified for evaluation for FY 21 - FY23:</p> <ul style="list-style-type: none"> • Innovation and the Adaptation Fund: policy and practice (scoping work starting in FY20) • The role of the AF within the climate finance architecture • Accreditation and capacity development • Efficiency of AF processes • Knowledge management 	100,000	100,000	200,000

Table 3 AF-TERG FY21-FY22 Budget Proposal (Continued)

<i>All amounts in US\$</i>		FY21 Proposed	FY22 Proposed	FY21-22 Proposed
07	<p>Ex post evaluations (pilot in FY21, two in FY22 @ US\$ 45,000 each)</p> <p>A study on approaches to ex post performance evaluations has been carried out during FY20 and a draft guide is being elaborated for field testing during FY21. The guide will be revised as needed and used for two evaluations per year from FY22 onwards. The AF-TERG will commission 1 or 2 ex post evaluations of strategically selected projects that have closed 3-5 years before, that would provide learning on climate change actions and accountability of results financed by the Fund.</p>	45,000	90,000	135,000
08	<p>Evaluation synthesis and gap analysis.</p> <p>To inform the work of the Fund and partners the AF-TERG will yearly produce a synthesis of evaluative evidence and lessons learned and conclusions from evaluations of successful adaptation projects funded by the AF and other relevant institutions. The findings, conclusions and lessons learned from the evaluations carried out FY21-FY22 will be synthesised and actively shared to support learning.</p>	20,000	20,000	40,000
09	<p>Sharing outreach and communication on evaluation results.</p> <p>Participation in conferences, collaboration with evaluation functions in peer organisations and relevant networks, drafting of papers and contributions to seminars and conferences. Development of interactive website.</p>	Under travel and general operations		
10	STC evaluation support - data analyst.	53,191	101,517	154,708
TOTAL EVALUATION COMPONENT		458,191	561,517	1,019,708
TOTAL ALL COMPONENTS		1,063,219	1,187,071	2,250,290

31. No changes to the Fund's trust fund structure are needed to facilitate two-year budgeting and transfers, and the budget will be adjusted on a rolling basis. At the last Board meeting of FY21, there will be a preliminary budget reconciliation of that fiscal year; remaining funds will carry over to the next fiscal year, and proposed adjustments will be made for FY22 for money unspent and for budget adjustments needed for projected expenses in that second fiscal year. In that same Board meeting the AF-TERG will propose the budget for FY23 for consideration by the EFC and subsequent approval by the Board and transfer by the Trustee, creating a new two-year budget, consisting of the last year of the previous two-year budget, FY22, and one new upcoming fiscal year, FY23.

SECTION V. REPORTING AND REVIEW OF THE AF-TERG AND ITS WORK

Reporting to the Ethics and Finance Committee and Adaptation Fund Board

32. The work programme will be continually reviewed and updated by the AF-TERG and updates will be reported yearly, for presentation to the EFC for its review in conjunction with the consideration of the proposed budget and budget adjustments.

33. Reporting on completed and ongoing work elements will take place semi-annually, or intersessionally if the content demands a swift decision. Evaluative work with actionable recommendations would need tracking in a 'management action tracking' report, which will be a separate annual reporting to the EFC that will be introduced once there is completed work with recommendations to be tracked.

34. Building on the AF-TERG's initial very constructive consultations, opportunities for regular periodic dialogue with the Board, its Committees, the IEs and other key stakeholders will be requested as informed by the proposed work activities set out in Table 3.

Monitoring and Evaluation of the AF-TERG Work Programme

35. The implementation of the work programme by the AF-TERG will be evaluated in FY23, and in the interim feedback will be sought regularly from the Fund's key stakeholders on the extent to which the AF-TERG:

- a) Work programme design is coherent and adequately aligned to the AF-TERG theory of change, using some of the OECD DAC criteria and a theory of change-informed evaluation;
- b) Work principles are observed, drawing on principles-focused evaluation;
- c) Processes have been consultative, collaborative and supportive of co-generation of evaluation plans and products, drawing on utilisation-focused evaluation;
- d) Relationships have fostered trust, synergy and are contributing to increased impact;
- e) Results have been of value to the different Fund actors it serves;
- f) Results are regarded as good value for money.

36. Below are some of the results against which AF-TERG performance on implementing the work programme will be measured:

- a) Active participation of IEs and key stakeholders in the generation of evaluation products;
- b) Co-generated monitoring, evaluation and learning (MEL) processes, products and knowledge that take into account social and ecological systems;
- c) MEL products that are credible, relevant, usable and timely;
- d) Improved MEL capacity in the Adaptation Fund;

- e) Increased demand for and use of MEL-based knowledge Adaptation Fund partners;
- f) A growing culture and practice of co-learning and co-generation within the Fund and of building synergies with AF-like CC organisations, and
- g) Transformative learning within the AF-TERG.

37. The intended audience for the monitoring and evaluation of the work programme's implementation will be the Board and its Committees, the AFB Secretariat, the Implementing Entities, the AF-TERG, and other users of evaluative evidence within the Fund. The findings will feed into a professional peer review of the AF-TERG function in FY24.

Professional Peer-Review of the AF-TERG as the Fund's Evaluation Function

38. Informed by the Development Assistance Committee and United Nations Evaluation Group (DAC/UNEG) framework for professional reviews,¹³ a professional peer review of the AF-TERG as the Fund's independent evaluation function will take place in FY24. A professional peer review can be described as the systematic examination and assessment of the performance of an independent evaluation function by a panel of its peers, with the ultimate goal of helping the reviewed function improve its policy making, adopt best practices, and comply with established standards and principles. Members of the peer panel would be coming from independent evaluation functions of other climate finance mechanisms and multilateral organizations. The framework for conducting professional peer reviews has been informed by years of DAC and UNEG experience with major evaluations of multilateral agencies and has been applied by many independent evaluation offices as an independent and rigorous external evaluation.¹⁴

39. The professional peer review is intended to assess the evaluation function against accepted international standards and are centred on a "core assessment question": *'Are the agency's evaluation function and its products: independent; credible; and useful for learning and accountability purposes, as assessed by a panel of professional evaluation peers against international standards and the evidence base.'*¹⁵ The peer review will assess the extent to which fulfilment of the AF-TERG's three main functions – evaluation, advisory and oversight – has contributed to **accountability** and **learning** in the Fund, being the two main objectives of the Evaluation Framework.

40. A draft terms of reference for the peer review will be developed for consideration by the EFC at the last meeting of FY23 that will include multiple options for the steering and management of the peer review process, with varying levels of EFC engagement for consideration. The intended audience for the peer review will be the Board and its Committees, the AFB Secretariat, the Implementing Entities, the AF-TERG, and other users of evaluative evidence within the Fund.

¹³ DAC/UNEG. 2007. Framework for Professional Peer Reviews. Available at:

<http://www.unevaluation.org/document/detail/103>

¹⁴ For example, the evaluation functions of the Food and Agriculture Organization of the United Nations (FAO), the Global Environment Facility (GEF), the United Nations Development Programme (UNDP) and the United Nations Environment Programme (UNEP) have all conducted professional peer reviews of their function in recent years.

¹⁵ DAC/UNEG (n 13), p.8.