



ADAPTATION FUND

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13 October 2020

Adaptation Fund Board
Ethics and Finance Committee
Twenty-sixth Meeting
Bonn, Germany (held virtually)
15-16 October 2020

**UPDATE ON PROGRESS TOWARDS THE
IMPLEMENTATION OF THE MANAGEMENT RESPONSE
TO THE OVERALL EVALUATION OF THE FUND
(SECOND PHASE)**

Background

1. This report presents an update on the progress of implementation of the management response to the second phase of the overall evaluation of the Adaptation Fund (the Fund).

2. At its thirteenth meeting (March 2011) the Adaptation Fund Board (the Board) approved an evaluation framework for the Fund and decided to conduct an overall evaluation of the Fund (Decision B.13/20).

3. At its twenty-third meeting (March 2014), the Board decided to approve a two-phased evaluation (Decision B.23/18). The Board then decided to establish an independent review panel (IRP) for the Fund's overall evaluation and requested the Adaptation Fund Board Secretariat (the secretariat) to provide the IRP with the necessary support to carry out their work (Decision B.23-24/4).

4. The final report of Phase I of the Fund's Overall Evaluation (Document AFB/EFC.17/3) was considered by the Board at its twenty-sixth meeting (October 2015).

5. The second phase of the overall evaluation was conducted by Tango International under the supervision of the IPR led by Eva Lithman and was concluded with a final report in June 2018.¹

6. The Board at its thirty-first meeting (March 2018) decided to request the Chair of the Board, supported by the secretariat, to prepare a management response to the second phase of the overall evaluation of the Fund (B.31/30). The management response was approved by the Board intersessionally in October 2018 (decision B.31-32/30).²

Overall update on the implementation of the recommendations of the second phase of the overall evaluation and status of management response

7. In Annex 1 to this document, the secretariat has prepared an update on progress towards the implementation of the management response to the overall evaluation of the Fund (second phase), as contained in the annex to decision B.31-32/30.

8. The Annex 1 presents an overview table on the overall implementation of the management response and how, as of 30 September 2020, recommendations have been addressed or partially addressed. The table also provides information on further actions to be taken by the Board and/or secretariat to continue implementation of the recommendations.

9. Overall, the document confirms that the Board and the secretariat are on track to implement the recommendations of the overall evaluation and the initial

¹ <https://www.adaptation-fund.org/document/independent-evaluation-adaptation-fund-second-phase-evaluation-report-final-edited-version/>

² https://www.adaptation-fund.org/wp-content/uploads/2020/07/AFB-Decision-B.31-32.30-Management_reponse_to_overall_evaluation_2nd_phase.pdf

management response and action plan. Many of the recommendations are being addressed in the Fund's operations including its result-based management activities, the readiness programme, the innovation facility under the Medium-term Strategy (MTS), its accreditation process and the recently updated policies on gender and environment and social policy as well as the many others initiatives under discussion (complementarity and coherence with other climate funds, other partnerships).

10. The next overall evaluation to be undertaken under the supervision of the Fund's Technical Evaluation Reference Group (AF-TERG) expected to be completed by 2022, is an opportunity to follow-up on number of recommendations which are still not fully implemented. The secretariat will support the Board in fully addressing the recommendations of the overall evaluation, to ensure the effectiveness of the Fund's support to vulnerable countries in line with its mandate.

Conclusion and next steps

11. The management response to the second phase of the overall evaluation will continue to be implemented by the Fund. The secretariat will report regularly to the Board on the management response implementation, with the next update to be expected in October 2022 as part of the next overall evaluation of the Fund.

12. Lessons learned from the implementation of the management response and action plan to the overall evaluation can inform the next phase of evaluation of the Fund.

Annex 1: Update on progress towards the implementation of the management response to the Overall Evaluation of the Fund (second phase) and action plan

Project Design	Recommendation 1:		
	<p><i>The Adaptation Fund should strengthen its support and guidance to IEs to address gaps found in project designs across the portfolio. Areas to emphasize are:</i></p> <ul style="list-style-type: none"> <i>a) Improve the presentation of adaptation reasoning and problem analysis in project proposals. Theory of Change is one approach that can be used for good problem analysis and identifying assumptions related to project relevance, effectiveness and sustainability;</i> <i>b) Identify an appropriate stakeholder engagement strategy including roles for ensuring sustainability beyond the project lifetime;</i> <i>c) Design appropriate sustainability strategies taking into account future replication, scaling up and other systemic change that the project intends to catalyze; and</i> <i>d) Estimate appropriate costing and feasibility of proposed activities.</i> <p><i>This support to IEs can be extended during climate finance readiness activities and through the proposal screening stage (connection with readiness).</i></p>		
Management response to the recommendation	Status as of Sept 30, 2020	Actions taken since Board's approval of management response in October 2018	Further actions to be taken
<p>The areas where providing additional guidance is recommended, are well noted. The Board, supported by the secretariat, has paid attention to these areas throughout the Fund's operations:</p> <ul style="list-style-type: none"> - The theme of adaptation reasoning is an area that continues to be under active debate under various UNFCCC processes. The Board has worked on adaptation reasoning over the last several years (e.g. documents AFB/PPRC/17/5 and AFB/PPRC/22/25) and continues to do so (Decision B.31/23). The Theory of Change approach can be used, as recommended, in problem analysis and project design, however, it 	<p>Partially addressed.</p>	<p>The Board will keep its guidance to implementing entities in the areas identified by the evaluation under review. The secretariat has prepared a paper on the topic of adaptation reasoning, which the Project and Programme Review Committee (PPRC) was planned to consider at its 24th meeting (March 2019), but that could not be discussed due to the lack of time at that meeting, or at the subsequent 25th meeting.</p>	<p>The Board and the PPRC are expected to continue keeping guidance to IEs under review.</p> <p>The secretariat will continue to showcase the most relevant approaches, tools and methodologies for quality project design through its readiness events and engagement with relevant institutions (possibly through side events during UNFCCC meetings, discussion with the Adaptation Committee, Adaptation Futures</p>

<p>is worth noting that as it is not a standardized tool, it has its limitations in application as a quality assurance mechanism in project reviews.</p> <ul style="list-style-type: none"> - Stakeholder engagement strategies are considered routinely as part of project reviews, spanning engagement both during project development (the requirement for comprehensive consultation) and during project implementation (project document section on management arrangements, and environmental and social management plan). - Sustainability strategies are also considered routinely in project reviews and are expected to be included in the project document section on sustainability. However, it is worth noting that while sustainability can be <i>enhanced</i> by active planning and engagement during project design and implementation, it cannot be always <i>ensured</i>, given that opportunities to maintain, replicate and scale up project activities depend on political and financial considerations outside of the project's control. - Budget analysis and feasibility assessment is also always done at the project review stage, although a practical balance has to be struck in terms of how comprehensive and pervasive such assessments are, given implications on project preparation costs. <p>In terms of facilitative support to project proponents, as the evaluation correctly notes, the secretariat has provided training on the above matters through the activities of the readiness programme, as well as through other channels, such as organizing a “master class event” for stakeholders during the Adaptation Futures conference held in June 2018 in Cape Town, South Africa.</p>		<p>The secretariat began the preparations for a Masterclass at the Adaptation Futures 2020 conference, which was ultimately postponed. The secretariat developed a training on innovation for adaptation aimed at NIEs but open to all (expected to be launched in October 2020), which is intended to help entities design innovative proposals.</p> <p>The secretariat developed a set of case studies on ESP and Gender aimed at increasing the understanding among IEs of applying these policies in project design and implementation. These are supplementary to case studies on the same topic included in the virtual courses on ESP and accreditation available in three languages.</p> <p>The Board has launched, under the implementation plan of the MTS, targeted grants for scaling up of already implemented projects. The development of proposals for such grants by the implementing entities and their review by the secretariat will help collect lessons learned on key challenges and success factors for replication and scaling up of projects, which can further inform sustainability considerations in the design of new projects.</p>	<p>conference, etc.) and launch of trainings and other support.</p>
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<p>Particularly with regard to replication and scaling up, the Medium-term Strategy for 2018-2022 adopted by the Board contains planned targeted support for <i>ex post</i> scaling up and replication.</p> <p>In the context of the “learning and sharing” pillar of the strategy, the Fund will explore the collection of learning materials to disseminate approaches, methodologies and tools relevant to the 4 areas identified.</p> <p>The Fund will bolster the number of internal and external events during which it will have the opportunity to raise awareness about how to address gaps found in project designs across the portfolio, including through applying the right tools, methodologies and approaches as identified in the evaluation.</p>			
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Complementarity of Activities	Recommendation 2:		
	<p><i>The Adaptation Fund should build on existing good practice examples in the portfolio to establish systematic linkages with other funds including the GCF to coordinate portfolios and to build complementarity for concrete adaptation projects that it supports. This should intend to build synergies and minimize duplication of projects.</i></p> <p><i>This can be achieved through: Better exchange of portfolio information between the funds and establishing a referral system. Readiness activities can be organized to support IEs to design projects in a programmatic manner and structure financing from multiple sources.</i></p>		
Management response to the recommendation	Status as of Sept 30, 2020	Actions taken since Board's approval of management response in October 2018	Further actions to be taken & Timeframe
<p>This recommendation is currently being addressed. The Board and the secretariat have taken action to promote linkages with other bodies under the Convention, such as the GCF, the GEF, the Adaptation Committee (AC), the Standing Committee on Finance (SCF), and the Climate Technology Centre and Network (CTCN).</p> <p>The Board had also considered how to enhance complementarity with the GCF through concrete activities. Following the mandate given by the Board, the Chair of the Board has engaged, since May 2016, in a dialogue with the Co-Chairs of the GCF Board on potential linkages between the two funds, and the secretariat has discussed with the GCF secretariat concrete activities to initiate collaboration, including, but not limited to, the following areas: readiness support, including by organizing joint activities such as workshops or seminars in regions; results-based management; accreditation; and project/programme identification and scale up.</p>	Addressed.	<p>The Adaptation Fund has been active on promoting linkages with other bodies under the UNFCCC including AC, SCF, CTCN and climate funds (GEF, GCF).</p> <p>The Fund has organized and been invited to many climate related events organized on the margins of COP and meetings of UNFCCC subsidiary bodies.</p> <p>In terms of collaboration with the GCF, both funds' secretariats have engaged on number of initiatives to enhance complementarity and coherence over last years. Among the activities implemented so far include the recently launched Community of Practice for Direct Access Entities (CPDAE) which aims to provide an avenue for knowledge exchange, learning and experience sharing, collaboration and peer</p>	<p>The secretariat will continue its active engagement with UNFCCC bodies including regular annual events and as part of COP.</p> <p>With regard to cooperation with GCF, the Fund will start implementation of the scaling up framework (currently being finalized), continue its joint support to CPDAE and identify other areas of complementarity and coherence.</p> <p>The Board and secretariat will further engage with other climate funds as part of the annual dialogue of climate finance channels.</p> <p>In fiscal year 2021, the secretariat plans to explore expanding its partnership with other constituted bodies in the areas of knowledge management (KM), results-based</p>

<p>Since the beginning of its operations, the Fund has shared information on its portfolio of projects fully transparently on its website. The transparent practices were compiled in the Open Information Policy adopted by the Board in 2013. Since the launch of GCF operations, the secretariat has provided information to the GCF on the status of its portfolio, whenever requested.</p> <p>To further promote complementarity with other sources of funding, such as the GCF, the Medium-term Strategy for 2018-2022, adopted by the Board in October 2017, foresees specific support for scaling up Adaptation Fund projects through separate grants for that purpose.</p>	<p>support among direct access entities (DAEs) of the GCF and National Implementing Entities (NIEs) of the AF. Other initiatives include the annual dialogue between Climate Funds, the continuous collaboration among both secretariats and this proposed Scaling-Up Approach.</p> <p>The secretariat has established a partnership with the CTCN and Paris Committee on Capacity-Building (PCCB) to develop and disseminate a bulletin by providers of readiness and capacity-building support for adaptation. Having launched and disseminated the third issue of the bulletin in September 2020, the partnership provides content to developing countries on readiness and capacity-building support available for adaptation from organizations delivering such support. The bulletin is widely disseminated to developing country Parties of the UNFCCC and Paris Agreement.</p> <p>Following the mandate given by the Board, the secretariat has been actively engaging with the GCF secretariat to support the CPDAE for implementation of the CPDAE action plan and operations of the CPDAE Committee.</p> <p>The Board approved the launch and review of project scale-up grants (Decision B.32/39) to support NIE readiness for scaling up AF funded</p>	<p>management and other cross-cutting initiatives (gender, etc.)</p> <p>The secretariat will continue the partnership with CTCN and the PCCB to develop and disseminate more bulletins to provide information to developing countries on available readiness and capacity-building support from multiple sources, including from the Adaption Fund.</p> <p>The secretariat will continue to collaborate with the GCF secretariat to provide resources for implementation of the CPDAE action plan in collaboration with the CPDAE Committee on an ongoing basis.</p> <p>Following approval of the application, review and approval process for project scale-up grants, the Board also approved the</p>
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		projects through resources from other funds and donors. To date, one project scale-up grant has been approved and is under implementation.	monitoring and reporting requirements for those grants, completing their operationalization modalities. In 2021 the secretariat will enhance engagement with NIEs to raise awareness and deliver capacity-building for project scale-up through its readiness events.
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Complementarity of Activities	Recommendation 3:		
	<p><i>The Adaptation Fund should support countries to build complementarity of projects at national level supporting harmonization of activities within national programmes and domestic financing schemes.</i></p> <p><i>This can also be achieved through: Capacity building of DAs and IEs in the readiness programme and this can be further prioritized through the proposal screening stage by the AFB Secretariat.</i></p>		
Management response to the recommendation	Status as of Sept 30, 2020	Actions taken since Board's approval of management response in October 2018	Further actions to be taken
Complementarity of projects at the national level and harmonizing them in national programmes is an important goal but one that is largely beyond the Adaptation Fund which only funds few individual projects in each country. Luckily, there are other important initiatives underway with this goal, such as the development of National Adaptation Plans (NAPs). Because of this, the Fund has to be cognizant of the appropriate and realistic impact it may have on complementarity. The main modality for the Fund to support country-level complementarity beyond the project level is training to Designated Authorities and National	Partially addressed.	Since October 2018 the secretariat has held six events which include 2 seminars for accredited NIEs, a country exchange and 3 workshops where DAs have been invited to participate. The events have been hosted in partnership with the UNFCCC Regional Climate Weeks, other organizations and bodies such as the NDC Partnership and accredited NIEs of the Fund to discuss broader adaptation planning and complementarity at the local level.	<p>The secretariat is exploring hosting an event exclusively for DAs as budget permits and will explore collaboration with partners for joint hosting and resource sharing.</p> <p>The secretariat will continue to engage with other partners involved in locally led adaptation such as the PCCB Network, the Global Commission on Adaptation, the GCF and its enhanced direct access modality and will participate in the Adaptation Futures meetings</p>

<p>Implementing Entities, which is provided by the secretariat as part of the Readiness Programme.</p> <p>The Strategic Priorities, Policies and Guidelines of the Fund approved by the Board and adopted by CMP 4 in 2008 includes among areas to be considered during project reviews “consistency with national sustainable development strategies, including, where appropriate, national development plans, poverty reduction strategies, national communications and national adaptation programmes of action and other relevant instruments, where they exist” and “avoiding duplication with other funding sources for adaptation for the same project activity” that both address the issue of complementarity and harmonization, and that have been applied in project reviews since the first call for proposals. Further, the first area, confirming consistency with national strategies, is a standard statement required to be included in the endorsement letter by the Designated Authority for each project submission.</p>		<p>The Fund has become a member of the PCCB Network which was launched in June 2020 and has provided content on the Fund’s capacity-building activities for the Newsletter of the Network. The Network envisages to become a leveraging platform to enhance coherence and coordination of climate-related capacity-building initiatives and activities, foster the engagement of relevant stakeholders in such efforts, draw expertise from a broad range of members in identifying gaps and needs of developing countries, and facilitate access to information and knowledge on capacity-building to support climate action.</p>	<p>to engage contemporary research and experts working on locally led climate action, planning and response measures.</p> <p>The secretariat will continue to provide content to the PCCB Network newsletter and participate in the network’s activities on an ongoing basis.</p>
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Direct Access	Recommendation 4:		
	<p><i>Given that positive results are emerging with respect to direct access, the Adaptation Fund should accelerate its direct access support. One way to achieve this is to further reduce the 50 percent cap for MIE proposals to encourage more NIE proposals. Adaptation Fund should continue its outreach on direct access activities through the readiness programme.</i></p>		
Management response to the recommendation	Status as of Sept 30, 2020	Actions taken since Board’s approval of management response in October 2018	Further actions to be taken & Timeframe

<p>This recommendation is currently being addressed in terms of continued efforts to enhance direct access activities through the readiness programme. The Readiness Programme has been strengthened with the Pilot Readiness Package specifically aiming at increasing the use of direct access through the accreditation of new NIEs. It should be noted that as NIEs and RIEs have never jointly reached, or been close to reach, the level of 50 per cent of project funding, reducing “the other half”, i.e. the MIE 50 per cent cap, would likely not be effective in encouraging NIE proposals. A more effective means could be raising the US\$ 10 million country cap, for which there have been repeated calls from Parties and IEs. However, it should be noted that there would be opportunity costs to such approach.</p>	<p>Partially Addressed.</p>	<p>The Readiness Programme has continued to deliver outreach and capacity-building support to developing countries through readiness events, 6 of which have been held since October 2018. Whilst the readiness support package pilot initially experienced significant delays in implementation that were beyond the control of the secretariat, the pilot continues to be implemented with secretariat support to the stakeholders involved.</p> <p>The Board may consider the different funding caps and allocations at its future meetings.</p>	<p>The secretariat will continue to promote direct access through readiness events and will present results from implementation of the readiness support package pilot to the Board in 2021.</p> <p>The Board has not yet taken a decision of the country cap revision and discussions are still ongoing.</p>
<p>Direct Access</p>	<p>Recommendation 5:</p>		
	<p><i>The Adaptation Fund has been effective in supporting direct access to vulnerable countries such as LDCs, SIDS and countries with weak governance or institutional capacity, the Adaptation Fund should build on these experiences to expand direct access to vulnerable countries. One option is to establish a support system that allows a longer period of engagement for the Adaptation Fund to assist NIEs from LDCs, fragile states or countries with weak governance mechanisms to achieve accreditation.</i></p>		
<p>Management response to the recommendation</p>	<p>Status as of Sept 30, 2020</p>	<p>Actions taken since Board’s approval of management response in October 2018</p>	<p>Further actions to be taken & Timeframe</p>
<p>The response to this recommendation must be prefaced by recalling that while the mandate of the Adaptation Fund is to support particularly vulnerable countries, this has not been defined as the recommendation implies. Notwithstanding this matter of definition, the varying degrees of institutional capacity among vulnerable developing countries are currently being addressed.</p>	<p>Addressed.</p>	<p>The secretariat has continued to work intensely with potential applicants, ongoing applicants, IEs especially in vulnerable countries such as LDCs, SIDS and other countries with limited capacities through remote or face-to-face bilateral meetings, including the Accreditation Training Workshop in</p>	<p>Ongoing.</p>

<p>The Fund introduced the streamlined accreditation process to enhance the access of vulnerable countries such as LDCs, SIDS and other countries with limited capacities, to the Fund's financial resources. The Board made a number of decisions to further improve efficiency and effectiveness of the accreditation process at its 31st meeting.</p> <p>The NIEs from vulnerable countries, who have undertaken the accreditation process, have often recognized that the process has enhanced their institutional capacity. The pilot readiness package, the support through South-South readiness grants, the online training on accreditation and project development (to be launched), and the ongoing communication with vulnerable countries during accreditation is strong support for them.</p>		<p>Bangkok and more recently, the UN Climate Change Conference (COP 25) in Madrid, Spain, and the Fund's 2020 annual global NIE seminar held virtually on 1-3 September 2020.</p> <p>The direct approach to problem solving through ongoing conversations with entities has been highly appreciated by all the applicants and potential applicants. The secretariat facilitation of ongoing interactions between the Panel and the entities to resolve pending issues in the applications has helped improve efficiency and effectiveness of the accreditation and reaccreditation process.</p> <p>The secretariat has intensified work on knowledge sharing with regard to accreditation and direct access. The team delivered its first report on "Bridging the gaps in accreditation" which identifies opportunities to promote efficiency and effectiveness of the accreditation process. Through a secretariat-wide effort involving the accreditation KM, readiness and project teams, the secretariat has finalized content materials for the first e-learning course on accreditation and project preparation which was launched at in December 2019 at COP 25 in Madrid, Spain, and is now available in English, French and Spanish.</p>	
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Direct Access	Recommendation 6:		
	<i>The Adaptation Fund should promote enhanced direct access implementation building on the lessons from the project in South Africa</i>		
Management response to the recommendation	Status as of 30 Sept, 2020	Actions taken since Board's approval of management response in October 2018	Further actions to be taken & Timeframe
<p>This recommendation is currently being addressed under on-going activities of the secretariat. It is worth noting that whilst the project identification and development process remains a country-driven process, and the project in South Africa does indeed provide useful lessons, the Board had also approved a few other projects that employ, wholly or partly, an enhanced direct access approach.</p> <p>In addition, the Medium-term Strategy foresees a specific funding window on enhanced direct access.</p>	Pending.	<p>The secretariat has highlighted the emerging concept of enhanced direct access in readiness events held since October 2018 and will continue to explore ways of enhancing knowledge exchange, experience sharing and overall capacity for entities to develop and manage the implementation of projects/programmes that support enhanced direct access.</p> <p>The Board is expected to consider a proposal, prepared by the secretariat, for a dedicated window on enhanced direct access to be funded in line with the provisions outlined in the Fund's Medium-Term-Strategy (MTS) implementation plan.</p>	<p>Pending decision by the Board on the dedicated window for enhanced direct access, the secretariat is ready to explore hosting a dedicated event on enhanced direct access to enhance knowledge and promote the modality to NIEs and partner organizations, particularly those involved in locally led adaptation.</p> <p>The secretariat will present the paper for a window on enhanced direct access to the Board for consideration at the second part of its thirty-fifth meeting (AFB.35.b) in October 2020.</p>

Climate Finance Readiness		Recommendation 7:	
	<p><i>Given that the Adaptation Fund has been implementing climate finance readiness activities since 2014 and positive results are emerging, it is timely to do an in-depth assessment of the readiness activities building on the findings of this evaluation. Such an assessment can help to further streamline and improve effectiveness of the readiness activities</i></p>		
Management response to the recommendation	Status as of Sept 30, 2020	Actions taken since Board's approval of management response in October 2018	Further actions to be taken & Timeframe
<p>This recommendation is currently being addressed.</p> <p>A study on readiness and capacity building support is currently underway which will conclude with a publication that looks at readiness and capacity building in the broader UNFCCC climate finance architecture and specific readiness activities supported by the Fund. The paper will include recommendations to enhance effectiveness of the Fund's readiness programme.</p>	<p>Partially addressed.</p>	<p>The secretariat through its KM unit undertook a study on readiness and capacity-building for direct access to adaptation finance and has produced a paper which is published on the Fund's website and disseminated widely to its stakeholders.</p> <p>Since October 2018, the Board has established the Adaptation Fund Technical Evaluation Reference Group (AF-TERG) which will serve as an evaluation function for the Fund. The AF-TERG strategy and work programme mentions readiness as one of the identified potential areas of synergy with the secretariat.</p>	<p>The readiness study published in September 2020 includes recommendations for enhancing readiness and capacity-building support which the secretariat will implement as far as is feasible in 2021. It is also expected that the AF-TERG will provide in depth analysis and evaluation of the readiness programme as part of its evaluation of the Fund.</p>
Climate Finance Readiness		Recommendation 8:	
	<p><i>Furthermore, the ET recommends the following changes to the readiness activities:</i></p> <ol style="list-style-type: none"> <i>Streamline readiness activities into to two types of support: (i) outreach and support to NIEs to get accreditation and mobilize funding and (ii) capacity building to improve readiness in project implementation/delivery systems.</i> <i>Strengthen targeted outreach to DAs to mobilize political support and interest for direct access and more closely harmonize project activities with national programmes and other externally funded projects.</i> <i>Strengthen partnership and increase complementarity with other organizations that offer climate readiness support.</i> 		

Management response to the recommendation	Status as of Sept 30, 2020	Actions taken since Board's approval of management response in October 2018	Further actions to be taken & Timeline
<p>This recommendation has already been partly addressed. The Board had already established the readiness programme in 2014 with the dual objectives of increasing the number of accredited NIEs and improving the quality of project proposals submitted to the Board for approval. The expanded focus on project implementation has been addressed by the Board through the MTS which includes readiness for project implementation. DAs have been invited to attend all the previous regional readiness workshops. The recommendation is well noted however, to consider regional or other events exclusively for Das.</p> <p>The secretariat hosted in partnership with CTCN, a meeting in May 2017 on the margins of the SB46 meetings in Bonn, Germany and following that established a communication channel for organizations providing readiness support for adaptation.</p>	<p>Partially addressed.</p>	<p>The Fund will continue to support accreditation of direct access entities and project development and has included capacity building for project implementation based on needs and identified gaps.</p> <p>Organizing high level events with DAs and senior government officials to raise awareness on direct access and enhanced direct access to fund resources remains possible within the scope of the Readiness Programme. Due to the high costs usually associated with hosting high-level officials and events, the secretariat explored hosting such events with partners such as the GCF.</p> <p>The secretariat has been engaging with the GCF to enhance complementarity in the delivery of readiness and capacity-building support, notably through the CPDAE, and the Fund has become a member of the PCCB Network. The Fund is also coordinating</p>	<p>In 2021 the secretariat will continue to deliver on the dual objectives of the readiness programme as established by the Board and will continue to implement activities as per budget and workplan as guided by the EFC and approved by the Board.</p> <p>In 2021 the secretariat will continue to explore, potentially with partners, the possibility of hosting an event for high-level officials including DAs and senior government officials with due consideration of budget and other logistical constraints.</p> <p>The secretariat will continue the three-way partnership with CTCN and PCCB. The Fund will continue its membership to the PCCB Network, and the secretariat will continue to align and hold a significant number of its readiness events as part of the UNFCCC Regional Climate Weeks</p>

		through a three-way partnership with the CTCN and PCCB, a network of organizations that provide readiness and capacity-building support to developing countries to increase access to information on the availability and access modalities for such support. The secretariat has also been aligning its events with the UNFCCC Regional Climate Weeks to enhance engagement, partnership and collaboration with other organizations involved in climate change adaptation and to enable dialogue on broader adaptation issues, including adaptation policy, planning and coherence at the local level.	on an ongoing basis. The secretariat will continue to explore partnerships with organizations and stakeholders with similar interests, particularly complementarity and coherence on direct access, enhanced direct access, support for access to adaptation finance and support for project development and implementation.
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Gender and ESP	Recommendation 9:		
	<i>The Adaptation Fund should continue its ongoing investments in strengthening IE capacity to apply gender and ESP principles in project implementation.</i>		
Management response to the recommendation	Status as of Sept 30, 2020	Actions taken since Board's approval of management response in October 2018	Further actions to be taken & Timeframe
<p>This is currently being addressed.</p> <p>The secretariat has provided opportunities for training on ESP and GP to increase relevant capacity of IEs and will continue to do so.</p> <p>Additionally, the Fund has provided NIEs with readiness grants for technical assistance on ESP and Gender. As at July 2018, the Fund has provided TA grants to 16 NIEs.</p>	Addressed.	<p>In addition to the project formulation assistance (PFA) and project formulation grant (PFG) accessible to NIEs to upgrade their capacity in relation to gender and ESP, the Fund continues to support NIEs in multiple modalities including the readiness programme and other events (NIE seminar, webinars, etc.)</p> <p>As requested by the Board, the secretariat has revised the PPR</p>	Ongoing.

The secretariat is currently also updating the project performance report template to further improve ESP and GP related monitoring aspects.		template to improve the performance monitoring in terms of ESP and GP.	
Gender and ESP		Recommendation 10:	
	<i>It should identify bottlenecks facing IEs and EEs and disseminate good practices to IEs during readiness activities, which would also strengthen project conceptualization and implementation (connected with readiness and knowledge management).</i>		
Management response to the recommendation	Status as of Sept 30, 2020	Actions taken since Board's approval of management response in October 2018	Further action to be taken & timeframe
<p>The Board has made conscious investments in knowledge management including, developing a knowledge management strategy and hiring relevant staff. Knowledge management is also one of the three pillars of the MTS, and its implementation plan lays out several support modalities for enhancing the Fund's work in the area.</p> <p>In addition, the secretariat has started translating available guidance documents into official UN languages, starting with French and Spanish, and will also update proposal templates and guidance documents for ESP and GP compliance to improve their user-friendliness.</p>	Addressed.	<p>The secretariat has organized various sessions addressing knowledge management in project design during the readiness webinars.</p> <p>Additionally, the secretariat organized various KM sessions during the global readiness events organized for NIEs where the issue of the KM component in project design was presented as well as presentations on the new funding window under the MTS – the learning grants.</p> <p>The secretariat has also included a knowledge fair and has produced a lessons learned brochure as part of a country exchange organized by the readiness team around the theme of water management in the agriculture sector.</p> <p>The secretariat has continued to make use of readiness and other capacity building activities to identify</p>	The secretariat will continue translating all of its guidance documents into official UN languages. The secretariat will continue to provide support and guidance to implementing entities and other stakeholders on navigating proposal templates and other guidance material for ESP and GP compliance.

		gaps and bottlenecks faced by IEs, including by reviewing readiness grant reports. Since October 2018 the secretariat has translated five of the Fund's guidance documents on gender, project implementation and accreditation into French and Spanish and made them available on the Fund's website. The Board has also streamlined the reporting requirements for readiness grants facilitating more concise reporting by implementing entities.	
Gender and ESP		Recommendation 11:	
	<i>The Adaptation Fund should review existing barriers to achieving gender outcomes in projects that were evident in this evaluation, identify good practices and strategies to overcome these barriers and ensure that these strategies are incorporated to the existing guidance note to IEs and other resources relevant to gender. The Adaptation Fund should also ensure that these lessons and strategies are applied in project proposals more systematically (connected with project design).</i>		
Management response to the recommendation	Status as of Sept 30, 2020	Actions taken since Board's approval of management response in October 2018	Further action to be taken & timeframe
This finding is very well taken. The evaluation is the first instance when such results have been brought to light. The results may be partially explained by the fact that the projects considered in the evaluation were ones approved before the adoption of the gender policy. Nevertheless, the result requires further analysis. The secretariat will continue to identify bottlenecks facing IEs particularly and will collect and disseminate good ESP and GP compliance practices. Based on lessons learned, the secretariat will continue to improve M&E system to better monitor	Addressed.	As part of its effort to ensure implementation of its gender policy, the Fund has provided a draft of an update to its gender policy in January 2020 (AFB/B.34-35/Inf.1). In addition, the Fund continue to support IEs and NIEs specifically to address gender issues during project design and implementation. The recently launched e-learning on accreditation and ESP/Gender seeks to address this gap.	Ongoing

ESP and Gender aspects in the projects and programmes.		As mentioned above, the secretariat has revised the PPR template to improve the performance monitoring in terms of ESP and GP.	
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Monitoring and Evaluation	Recommendation 12:		
	<i>Ensure performance data are captured and utilized in the portfolio database, in APRs and that the performance data is used for portfolio monitoring.</i>		
Management response to the recommendation	Status as of Sept 30, 2020	Actions taken since Board's approval of management response in October 2018	Further action to be taken & timeframe
<p>This recommendation is already partially addressed through the development of the Annual Performance Report (APR), that is presented to the Board on a yearly basis (covering the period July 1st to June 30th of the following year). The APR for FY18 will include new performance indicators, to monitor the progress on the implementation of the Medium-term strategy of the Fund.</p> <p>The FIF platform in its current form does not include a module capturing performance data at the project level, that could be used to analyze at the portfolio level. However, once the current upgrades are finalized, such enhancements will be scheduled as a priority.</p>	<p>Addressed.</p> <p>Mostly addressed.</p>	<p>The APR starting from FY19 has been upgraded to include performance data at portfolio level including new funding windows developed as part of the MTS. Additionally, the APR for FY20 has included a section on the actual achieved results vis-à-vis the Fund level strategic outcomes' investments for the completed project and programmes.</p> <p>The FIF platform has been upgraded to include a module capturing performance data at the project level (expected results for core indicators at project end, vis-à-vis actual results at project mid-term and at project finalization), that could be used undertake specific performance analysis at the portfolio level. Currently, the work to be done relates to data entry in the FIF</p>	<p>The secretariat will continue to finetune this work based on actual results, which have been tracked starting from the APR for FY19.</p> <p>The secretariat will continue upgrade of FIF platform with support from WB IT team and external consultants (2nd half of FY21).</p>

		(extrapolating data from the PPRs results tracker) and ensure harmonization of reporting for those projects that are completed before the introduction of the results tracker in the PPR.	
Monitoring and Evaluation		Recommendation 13:	
	<i>Prioritize impact monitoring and impact assessments. Given that it is the only dedicated climate fund for adaptation activities and its medium-term strategy highlights its role as an entity that promotes learning, it is important that the Adaptation Fund shows leadership in adaptation results measurement and generate evidence on how adaptation is achieved.</i>		
Management response to the recommendation	Status as of Sept 30, 2020	Actions taken since Board's approval of management response in October 2018	Further action to be taken & timeframe
<p>This recommendation is well taken. Monitoring and assessing impact e.g. in terms of reduced vulnerability and increased resilience is crucial for confirming that the Fund is achieving its goals. Measuring impact is, however, often challenging due to the long-time scales involved in adaptation.</p> <p>Additionally, the AF Board approved the re-establishment of an independent evaluation function for the Fund, to ensure the independent implementation of the Fund's evaluation framework, through a Technical Evaluation Reference Group (AF-TERG), comprised of an independent group of experts in evaluation who are all functionally independent of the secretariat and accountable to the Board. A small AF-TERG secretariat composed of a full-time dedicated staff position supported by a part-time consultant and secretariat administrative staff as needed will provide support to the AF-TERG. The recruitment of the members of the AF-TERG and its secretariat's staff is underway. Impact evaluations of selected past AF</p>	Partially addressed.	As part of its MTS, the Fund has been monitoring its portfolio to systematically use information from its funded projects/programmes under implementation as well as from its unique decision-making structure and operations to (i) enhance countries' capacity and knowledge to improve the design and increase the effectiveness of future projects/programmes, and to (ii) inform its decision making, enhance transparency and improve the Fund's overall effectiveness. So far, the Fund has conducted about 20 portfolio monitoring missions which have helped generate evidence of concrete results achieved throughout the Fund's operations in various sectors including water and coastal management, ecosystem-based adaptation, disaster risk reduction,	<p>FY21 and beyond, the secretariat will continue its efforts to generate and disseminate evidenced based results from its portfolio with additional portfolio monitoring missions (PMM).</p> <p>The secretariat and the Board will work closely with TERG to implement recommendations from future evaluations and independent assessment conducted by TERG.</p>

<p>projects/programmes will be part of the AF-TERG work programmes on an annual basis.</p>		<p>as well as enhanced agricultural practices to strengthen food security, and others.</p> <p>In addition, the regular reporting submitted by IEs help the secretariat to conduct a deep analysis of the Fund's performance and achieved results, as reported regularly to Board as part of the APR.</p> <p>The Fund is also part of various platforms and share its experience on building resilience in developing countries including among others the Climate Funds Collaboration Platform on Results, Indicators and Methodologies for Measuring, the Alliance for Hydromet services, the Climate resilience network, etc. The recently approved multi-year work programme AF-TERG (AFB/EFC.26.a-26.b/3) aims to ensure the independent implementation of the Fund's evaluation framework and includes activities which address the above-mentioned recommendation.</p>	
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Knowledge Management	Recommendation 14:
	<p><i>Given the demands of a rapidly-growing portfolio, it is imperative that knowledge management be prioritized. Key actions to take are:</i></p> <ul style="list-style-type: none"> <i>a) Consolidate project experiences and knowledge on adaptation impacts and lessons.</i> <i>b) Identify channels and feedback loops to systematically apply lessons from the portfolio. Entry points include proposal screening stages and accreditation steps.</i>

Management response to the recommendation	Status as of Sept 30, 2020	Actions taken since Board's approval of management response in October 2018	Further action to be taken & Timeframe
<p>This recommendation has partially been addressed through the activities contained in the KM pillar of the MTS that are expected to multiply the volume of knowledge produced at the fund level.</p> <p>The secretariat is producing a paper capturing lessons learned from Portfolio Monitoring Missions which will be made available through the AF website.</p> <p>The additional recommendations are taken into account and the secretariat is already working on the development of various knowledge management tools (e-learning, KM repository of information, knowledge platforms for readiness for climate finance, publications and other studies) aimed at capturing and disseminating the knowledge accumulated to the relevant stakeholders.</p> <p>Furthermore, a new funding window will become available as part of the newly approved Medium-term Strategy consisting of learning grants aimed at NIEs capturing and transferring knowledge to each other and to the wider adaptation communities.</p>	<p>Addressed.</p>	<p>The secretariat has developed various publications capturing best practices in Direct Access projects and beyond as follows:</p> <ul style="list-style-type: none"> - A publication on mainstreaming gender in the AF portfolio of select projects/programmes - A publication on locally-led adaptation actions and interventions in AF portfolio of projects and programmes - A publication on Readiness and capacity-building in Direct Access for adaptation finance <p>The secretariat also produced lessons learned and case studies on key project knowledge with a thematic/sectoral focus as follows:</p> <ul style="list-style-type: none"> - Lessons learned and approaches from 13 Portfolio Monitoring Missions made available through the AF Knowledge and learning microsite - Lessons learned and applied from a Chile country exchange around water management in the agriculture sector - Case studies on ESP and Gender policy <p>The secretariat developed various knowledge tools aimed at addressing the issue, namely:</p>	<p>Ongoing</p>

		<ul style="list-style-type: none">i) E-learning courses in three languages (English, Spanish and French) consisting of two modules, one on addressing ESP policies in project design and the other on accreditation, including case studies and quizzesii) Study titled "Bridging the Gaps in Accreditation" capturing and integrating the sharable knowledge of the accreditation and re-accreditation workflow system into the project cycle, including case studiesiii) KM microsite aimed at being a repository of information and data related to climate change adaptation, where the secretariat collected and uploaded KM products generated as part of project implementation as well as KM products produced by the AF; the microsite also includes a dedicated space for learning grants as well as a space for adaptation themes <p>The secretariat launched three calls for proposals for learning grants so far and has held numerous awareness raising presentations during the various global events organized by the Fund.</p>	
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