



March 2021

# Mid-Term Review of the Medium-Term Strategy

## Inception Report



**Technical Evaluation  
Reference Group**  
ADAPTATION FUND



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Reference Group**  
**ADAPTATION FUND**

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The Adaptation Fund was established through decisions by the Parties to the United Nations Framework Convention for Climate Change and its Kyoto Protocol to finance concrete adaptation projects and programs in developing countries that are particularly vulnerable to the adverse effects of climate change. At the Katowice Climate Conference in December 2018, the Parties to the Paris Agreement decided that the Adaptation Fund shall also serve the Paris Agreement. The Fund supports country-driven projects and programmes, innovation and global learning for effective adaptation. All of the Fund's activities are designed to build national and local adaptive capacities while reaching and engaging the most vulnerable groups, and to integrate gender consideration to provide equal opportunity to access and benefit from the Fund's resources. They are also aimed at enhancing synergies with other sources of climate finance, while creating models that can be replicated or scaled up. [www.adaptation-fund.org](http://www.adaptation-fund.org)

The Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG) is an independent evaluation advisory group accountable to the Adaptation Fund Board, established in 2018 to ensure the independent implementation of the Fund's evaluation framework. The AF-TERG, which is headed by a chair, provides an evaluative advisory role through performing evaluative, advisory and oversight functions. The group is comprised of independent experts in evaluation, called the AF-TERG members. A small secretariat provides support for the implementation of evaluative and advisory activities as part of the work programme.

While independent of the operations of the Adaptation Fund, the aim of the AF-TERG is to add value to the Fund's work through independent monitoring, evaluation and learning. [www.adaptation-fund.org/about/evaluation/](http://www.adaptation-fund.org/about/evaluation/)

The unedited inception report was finished January 2021.

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## Acronyms and abbreviations

Board	Adaptation Fund Board
AF-TERG	Adaptation Fund Technical Evaluation Reference Group
CMA	Conference of the Parties serving as the meeting of the Parties to the Paris Agreement
CMP	Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol
COP	Conference of Parties
CSO	Civil Society Organization
EFC	Ethics and Finance Committee
FIF	Financial Intermediary Funds (FIF) Collaboration Platform
Fund	Adaptation Fund
GCF	Green Climate Fund
GEF	Global Environment Facility
IP	Implementation Plan
MIE	Multilateral Implementing Entity
MTR	Mid-Term Review
MTS	Medium-Term Strategy
NGO	Non-Governmental Organization
NIE	National Implementing Entity
ODI	Overseas Development Institute
OECD	Organisation for Economic Co-operation and Development
OECD/DAC	Organisation for Economic Co-operation and Development/ Development Assistance Committee
TOC	Theory of Change
TOR	Terms of Reference
UNFCCC	United Nations Framework Convention on Climate Change
UNGA	United Nations General Assembly
UNISDR	United Nations Office for Disaster Risk Reduction (UNDRR, formerly UNISDR)



# 1. Background

## The medium-term strategy

At its 30th meeting (12-13 October 2017), the Adaptation Fund Board (the Board) considered the draft medium-term strategy (MTS) for the Adaptation Fund (the Fund) prepared by the Adaptation Fund Board Secretariat (the secretariat). The Board decided (Decision B.30/42) to adopt the MTS in an amended form as contained in Annex 1 of document with reference AFB/B.30/5/Rev.1 (Adaptation Fund, 2017).

Key inputs into the Fund's MTS included Conference of the Parties (COP) decisions; the Cancun Adaptation Framework (UNFCCC, 2011); the 2030 Agenda for Sustainable Development (UNGA, 2015); the Sendai Framework for Disaster Risk Reduction (UNISDR, 2015); the Busan Partnership for Effective Development Cooperation (OECD, 2011); the Addis Ababa Action Agenda from the Third International Conference on Financing for Development (UN, 2015); the Fund's Initial and Second Reviews (UNFCCC, 2012, 2014); and the Fund's independent First Phase Evaluation (TANGO International and ODI, 2015).

The draft Implementation Plan (IP) for the MTS, contained in Annex 1 of the document with reference AFB/B.31/5/Rev.1 (Adaptation Fund, 2018), was approved at the 31st Board meeting (20-23 March 2018, Decision B.31/32). It builds on the MTS, outlining proposed activities over the five-year period for achieving its goals. It organizes activities primarily along the three strategic pillars of the MTS. Narratives for the four cross-cutting areas reflect consideration of those areas within each strategic focus area. The IP states that *"while the MTS is meant to be a document that does not require revision during its lifetime of five years, the IP is meant to be adaptive and flexible."*

## The mid-term review

Beyond approving the IP, Decision B.31/32 also requested the AF-TERG undertake a mid-term review (MTR) of the MTS and the IP and report to the Board at its 36th meeting.

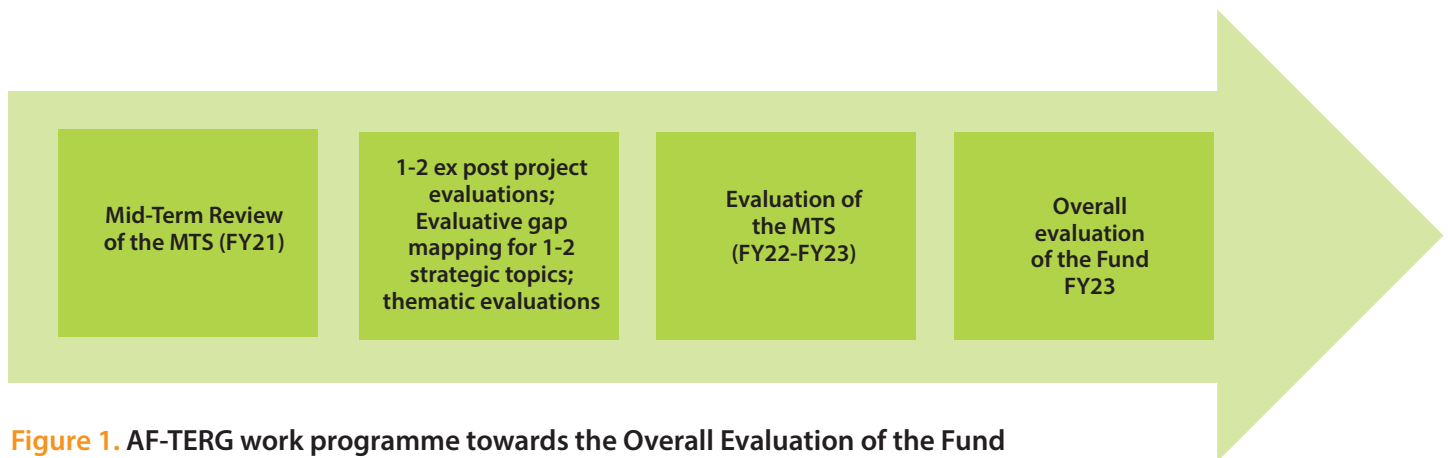
The IP itself (Section 6) further states that *"the MTS has been composed with its lifetime of five years in mind, so that revising it during that time will not be necessary, unless external circumstances in which the Fund operate change radically. The implementation of the MTS would be evaluated after the mid-term in 2020-2021, and after it ends in 2023. The mid-term evaluation is planned to be useful in informing the possible subsequent MTS (which could span years 2023-2027). Such evaluations would be carried out by the Evaluation Function of the Fund."*

The Strategy and Work Programme of the AF-TERG (2020a) as contained in Annex 1 of document with reference AFB/EFC.26.a-26.b/3 were presented to the Board intersessionally between the first and second parts of its 35th meeting, and subsequently approved (Decision B.35.a-35.b/29). The three-year work programme of the AF-TERG includes both the mid-term and final evaluation of the MTS.



## 2. Introduction

The MTR aims to track implementation of the MTS, identifying progress and suggesting course correction as needed. The MTR is the first step in the process to evaluate the MTS, to be carried out in fiscal year 2023 (FY23) after completion of the five-year strategy period. It is also a crucial input into the Overall Evaluation of the Fund planned for FY23. Finally, it provides feedback to the development of any future MTS developed by the Board. Studies and evaluations by the AF-TERG up to the MTR will provide inputs into the MTR. A graphical representation of this sequencing is visible in Figure 1.



**Figure 1. AF-TERG work programme towards the Overall Evaluation of the Fund**

The MTR assumes that the Fund considers and promotes adaptive management as a good practice.<sup>1</sup> Therefore, the MTR’s findings and recommendations should be considered and followed up by the Fund and its stakeholders. The MTR is an important tool for the Board; Fund management; and national, regional, and multilateral entities partnering with the Fund. It allows them to reflect upon and oversee implementation of its strategy and consider potential course corrections in response to emerging realities and organizational changes. The MTR can provide improvement-focused external advice and comments. Obviously, the COVID-19 pandemic is an important external test on the MTS. The MTR will consider how the MTS has affected its implementation, as well as actual and expected achievements.

Following the AF-TERG work principles (2020), the MTR will ensure broad participation from stakeholders across the Fund in its design and in development of recommendations and next steps. This participatory approach will promote co-generation of knowledge and co-management of the process, while maintaining independence of the exercise. In this way, the MTR should generate learning opportunities for the Fund and its stakeholders. The MTR will seek lessons about how other organizations use strategies, particularly during critical and crucial changes from the climate crisis and the COVID-19 pandemic.

1. One definition of adaptive management comes from the FCDO Annual Evaluation Report: Adaptive management is an approach to programme delivery that seeks to improve desired outcomes and impacts through the systematic, iterative, and planned use of emergent knowledge and learning throughout programme implementation. “Adaptive management is clearly valuable but needs effective monitoring, evaluation and learning (MEL) to enable iterative programme (re)design and to support structured adaptation.” Simon Henderson, “Meeting the Challenge of Adaptive management” OLCA: Outcome Likelihoods and Causal Analysis” October 2020; Please note the AF-TERG has not formally adopted or endorsed this definition.



## 3. Purpose, scope, and process

### Purpose and objectives of the mid-term review

The review assesses how well the MTS is guiding the Fund overall. As stated in the MTR's terms of reference (TOR) (Annex 2), the MTR aims to assess the following:

- Is the Fund responsive to the UNFCCC CMP/CMA<sup>2</sup> guidance and country and climate adaptation needs? Do they guide the Fund's governance, management, and operations?
- Is the Fund fit-for-purpose in the context of its mandate and of the world and climate financing today and for the future?
- Has implementation of the MTS identified progress and recommended possible course correction for the Board to incorporate into the next MTS?

The review has the primary objective of learning, with the secondary objective of providing accountability.

While the purpose statement provides the general direction of the review, the primary and secondary objectives define specific goals. The review has the primary objective of **learning**, with the secondary objective of providing **accountability**. Given the stage of the MTS implementation, and as an MTR, the review will be formative in nature and will emphasize learning. It aims to generate feedback to allow the Fund to confirm, revise, and course correct as needed. The emphasis will be on learning from its implementation to date and will include learning from outside the Fund, particularly with regards to relevant, lessons, experiences, and failures from the "field of strategy." The MTR is intended to be used by different stakeholders, both to support the remaining MTS implementation timeframe and for preparation of future Fund strategies.

### Scope of the mid-term review

The MTR will cover the first half of the Fund's MTS (Adaptation Fund, 2017) current period and how it has been operationalized through the IP. The MTS was approved at the 30th Board meeting in October 2017 and came into effect formally in 2018. The IP for the MTS (Adaptation Fund, 2018) was approved at the 31st Board meeting in March 2018.

The review will focus on the time between formulation of the MTS during FY17<sup>3</sup> to the end of December 2020. It will analyse the MTS approach and outcomes across its three strategic focuses (pillars): Action, Innovation, and Knowledge and Sharing, and its four cross-cutting issues: i) engaging, empowering, and benefiting the most vulnerable communities and social groups; ii) advancing gender equality and women's and girls' empowerment; iii) strengthening capacity for effective adaptation; and iv) building complementarity and coherence across climate financing infrastructure.

2. UNFCCC: United Nations Framework Convention on Climate Change; CMP: Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol; CMA: Conference of the Parties serving as the meeting of the Parties to the Paris Agreement.

3. MTS approved in October 2017, discussed during 2017.



The MTR will focus on how the MTS has been informed by Board decisions, guidelines, and criteria for project review and approval; strategies, knowledge products, performance documents; and strategies from other organizations and evaluations that were approved and developed during the period considered for the MTR. The MTR will also consider how UNFCCC COP/CMP/CMA guidance has been integrated into the development and implementation of the MTS.

The COVID-19 pandemic is included in the scope of this review to understand how the Fund (and its MTS) has enabled, encouraged, or constrained response to this crisis. Including the pandemic is also a way of capturing lessons related to the response and flexibility of the MTS to crises and stressors. The secretariat is assessing how COVID-19 has affected the projects under implementation and surveying Implementing Entities (IEs) on how the pandemic is affecting the pipeline of proposals. This assessment, and the Fund's response (AF, 2020), will be included in the MTR.

### Process for the review

Following the AF-TERG principles, engaging stakeholders through meaningful participation in the design and implementation of the MTR is as important as the report itself. Consultation with the secretariat and AF-TERG members has been critical to the design of the review matrix (Annex 1), and the team's emerging understanding of how the MTS was developed and currently used. The team will rely upon ongoing engagement with stakeholders in the development of findings, lessons, and recommendations. We anticipate an iterative and reflective process, underpinned by co-learning, through the MTR. This will hopefully make MTR findings and recommendations recognizable, feasible, and usable by Fund stakeholders.

The MTR has three phases.

- 1 Phase 1: Scoping and lesson learning**  
The purpose of Phase 1 is to develop "a synthesis of key issues, experiences, and lessons relevant to reviewing the MTS." Phase 1 draws upon expert opinion, good practices, lessons and experiences on use, and evaluation of strategies.
- 2 Phase 2: Conducting the MTR**  
The MTR draws upon lessons and consultation from Phase 1 and takes guidance from the review matrix.
- 3 Phase 3: Developing recommendations through consultation**  
Building upon the findings and initial areas of recommendation, the review team will conduct workshop(s) to seek and incorporate feedback from stakeholders to generate meaningful and relevant findings for the development of the final MTR report.

Phases 1 and 2 will be implemented in parallel (rather than sequentially) and inform each other. Consultation with stakeholders will follow Phase 2.

## **The MTR inception report**

This inception report is informed by a literature review, preliminary document analysis, analysis by the AF-TERG and introductory interviews with secretariat staff, experts in the field of organizational strategy, and pioneers in the strategy field. The report aims to establish the key questions, methods, information sources, timeline, and constraints for the MTR. The inception report – an important deliverable – will guide the direction of travel and enquiry for the MTR. It is not intended to be a final product for distribution or publication, but instead a working document for the MTR team and a reference for key stakeholders.

## **Key areas of enquiry**

Guided by the TOR, the MTR aims to assess the MTS as a review rather than an evaluation. With this in mind, the MTR will not strictly apply evaluation criteria of the Organisation for Economic Co operation and Development/Development Assistance Committee (OECD/ DAC). The review questions draw on aspects of relevance, effectiveness, and coherence. However, the team elaborated a series of key questions, focused on prioritizing learning, which will guide data collection and analysis. This reflects the latest thinking from the field of strategy and the evaluation of strategies (see Phase 1 of the MTR presented later in the inception report).

The review matrix, summarized in Table 1 and presented in Annex 1, has been developed collaboratively by the review team. It aims to define the way in which the review questions will be answered i.e. through the sub-questions and the methods of data collection. The sub-questions are not equally weighted as the review team anticipates varying levels of evidence for each. See Annex 1 for further explanation.

**Table 1. Summary matrix – overview of key questions**

Criteria	Defining principles in the context of the MTS	Key questions
Utility of the strategy	Drawing on principles of utility from the field of evaluation, utility refers to the practical applicability of the MTS for the management, organizational, risk-taking, and decision-making purposes of the organization (Patton, 1997).	Is the MTS fit-for-purpose to the Fund’s mandate, decision-making/risk-taking and management and organizational arrangements?  How is the MTS used?
Flexibility of the strategy	Strategic flexibility is the organization’s capability to identify major changes in the external environment, quickly commit resources to new courses of action in response to those changes, recognize and act promptly when it is time to halt or reverse existing resource commitments (Shimizu and Hitt, 2004).	Is the MTS relevant to the changing global context (looking at both the changing ecosystem and human development context) and does it enable flexible priority setting to meet changing needs?
Programmatic effectiveness	Assessment of the progress and differential results, across the Fund portfolio towards intended results during the MTS strategic period.	How far has the Fund progressed towards the achievement of strategic and focus area results?  What changes are perceptible through the delivery of the strategy and the quality of the Fund’s work?
Coherence	External coherence considers the consistency, complementarity, harmonization, and coordination with actors in the multilateral climate change adaptation arena, and the extent to which the MTS helps the Fund to add value and avoid duplication.	To what extent does the strategy support complementary and coherence with other climate finance delivery channels?
Responsiveness	Understanding what and how (mechanics, substance, uptake, and ambition) relevant guidance from the COP, CMP, CMA, the Board, NGO network, and other stakeholders informs the MTS and the MTS IP.	How, and to what extent, does the MTS respond to UNFCCC/CMP/CMA/other guidance?  How does the MTS respond to Board decisions? And how does the Board support implementation of the MTS?
Quality of the strategy	Assessment of quality of the MTS depends on  -what the strategy was intended to do -what the Fund needs it to do -what it is possible for a strategy to do.	Has the strategy been designed to allow the Fund to do what it intends to do?  What good practices can the Fund learn from and apply from the strategy field or other organizations?  What aspects of the strategy can the Fund build upon for the next strategy?

### Deviations from the original TOR

While the original TOR (Annex 2) still holds, research in Phase 1 of the MTS, as well as work in the inception phase, have identified a need to focus the enquiry on key issues to support preparation of the MTR. It is proposed the MTR be presented in two phases to the Ethics and Finance Committee (EFC). The first phase, to be presented at the March 2021 EFC meeting as planned, will update the EFC with preliminary findings and potential areas for recommendations. The AF-TERG team will expect the EFC to provide feedback on the initial draft. After these comments are incorporated, the AF-TERG team will move into the second phase to develop recommendations in a participatory way with EFC representatives and secretariat staff. The final report will be presented to the EFC during the 37th Board meeting in October 2021.

## Starting assumptions

The starting point for understanding the MTS is based upon document review and discussions with secretariat staff. Initial consultation has identified the following starting points for the MTR, which will be tested and explored:

- MTS as a strategy rather than strategic plan: The Board decided to develop a strategy to answer fundamental questions about the Fund rather than a strategic plan that would have set out what would be done (Adaptation Fund, 2016a, 2016b).
- Dynamic conceptual model, strategic choices approach: The Board decided to adopt a strategy that is dynamic rather than static and that uses strategic choices rather than a logframe model (Adaptation Fund, 2016, 2016b).
- Opportunity to sharpen the focus of the Fund: The MTS has helped the Fund to enhance and strengthen its focus. The strategic pillars were built upon what the Fund does and does well.
- Carving out its niche: The development of the MTS provided an opportunity to reflect upon the strengths of the Fund and its relative position, role, and purpose within the broader climate landscape.
- Consolidation and expansion: The MTS has been developed both to consolidate the Fund's work since its launch in 2007, and to expand its work from financing concrete adaptation projects and programmes into different areas.
- Ambitious: The Board decided on an MTS to achieve higher impact and effectiveness in the Fund.
- Value-added: The strategy was designed to articulate the comparative advantage, and potential for impact of the Fund. This would be measured by the strategic value of projects/programmes rather than by volume of financing delivered or mobilized (thus, the strategic pillars).
- Few limitations imposed by UNFCCC guidance: UNFCCC guidance is relatively unrestrictive in terms of what the MTS should do, say, and be used for. The Fund reports to the CMP. However, decision-making power for the strategy rests with the Board.
- MTS is supported by the implementation plan: According to the MTS and Board documents developed during its preparation, the MTS was not supposed to require revision during its lifetime of five years. Therefore, it does not deal with programme management or politically sensitive issues. The IP of the MTS is meant to be adaptive and flexible and respond to programmatic changes. Secretariat staff use the IP to guide preparation of annual work plans and preparation of policy documents for the Board's consideration, which in turn guide their day-to-day work.

Criteria for project selection is not included in the MTS: Project review and eligibility is not specifically included in the MTS. The strategic priorities, policies, and guidelines of the Fund adopted by the CMP provide overarching guidance on review criteria for both concrete adaptation projects and for other project types established under the MTS through specific Board decisions. The MTS establishes pillars that have determined how the Fund structures funding windows.

## AF-TERG work principles

The AF-TERG work principles (2020b)<sup>4</sup> are the centre of the approach taken for the MTR. As such, the MTR will follow consultative and participatory approaches, according to the AF-TERG principles of co-learning and co-creation of reviews. All key stakeholders will be requested to participate and provide feedback and views throughout the MTR. In addition, the MTR will also question, when relevant, how the MTS is implementing and considering human and natural systems as they are affected by and adapted to climate change.

## MTR audience and stakeholders

In line with the AF-TERG work principles of co-learning and co-generation, the review will engage internal and external stakeholders as outlined in Table 2. Stakeholders will be consulted through interviews, a survey, and webinars. A country perspective will be sought from Board members' constituencies, National Implementing Entities (NIEs), and Designated Authorities.

The MTR and the management response prepared by the secretariat will be distributed as an EFC document by the AF-TERG and the Fund secretariat, respectively. The Board decision and the final versions of MTR and management response will be made public as per the standard practice for Board documents.

**Table 2.** Key stakeholders for the MTR

Stakeholder	Category	Participation in the MTR	Influence on MTR success	Influence on MTR success	Criteria <sup>5</sup>
Board	Internal	Interviews, survey, feedback on deliverables, learning Consider and approve MTR	High	High	<ul style="list-style-type: none"> <li>• Utility</li> <li>• Coherence</li> <li>• Flexibility</li> <li>• Programmatic effectiveness</li> <li>• Responsiveness</li> </ul>
Adaptation Fund Board secretariat	Internal	Interviews, survey, feedback on deliverables, learning, response to findings and recommendations from MTR	High	High	<ul style="list-style-type: none"> <li>• Utility</li> <li>• Coherence</li> <li>• Flexibility</li> <li>• Programmatic effectiveness</li> <li>• Responsiveness</li> </ul>
AF-TERG	Internal	Learning, independent oversight and monitoring, key author of findings and recommendations	High	Moderate	N/A
Implementing Entities	Internal	Interviews, survey, learning, contribution to findings and recommendations	Moderate	Moderate	<ul style="list-style-type: none"> <li>• Utility</li> <li>• Flexibility</li> <li>• Programmatic effectiveness</li> </ul>
Designated Authorities (national)	External	Survey, contribution to findings and recommendations	Low	Low	<ul style="list-style-type: none"> <li>• Utility</li> <li>• Programmatic effectiveness</li> <li>• Coherence</li> </ul>
NGOs/CSOs	External	Interviews, survey, learning	Low	Moderate	<ul style="list-style-type: none"> <li>• Utility</li> <li>• Coherence</li> <li>• Responsiveness</li> </ul>
Other climate financing bodies	External	Interviews	Low	Low	<ul style="list-style-type: none"> <li>• Coherence</li> <li>• Responsiveness</li> </ul>
Financial contributors to the Fund	External	Survey, contribution to findings and recommendations	Moderate	Moderate	See Board

4. See Annex 3 for indicative interview questions.

There are three crucial and linked cascading audiences for the MTR outlined in Table 3 below. These audiences will have different levels of interest and expectations of the MTR's use.

**Table 3. MTR audience**

	<b>Interest in the MTR</b>	<b>How is the MTR expected to be used?</b>
<b>Board</b>	<ul style="list-style-type: none"> <li>• Mandate to set the strategic direction for the Fund by approving and monitoring the MTS and using it to oversee the performance of the Fund</li> </ul>	<ul style="list-style-type: none"> <li>• considers the MTR's findings and recommendations for any changes for the second half of the MTS implementation, as well as for the preparation of the new strategy</li> </ul>
<b>Adaptation Fund Board secretariat</b>	<ul style="list-style-type: none"> <li>• key implementer of the MTS to guide management choices of the Fund's work</li> <li>• active participants, providing information, identifying key areas of questioning and assessment of the MTS implementation to the MTR team</li> <li>• participates in development of the draft MTR, validating and considering the feasibility of findings and recommendations</li> <li>• prepares the MTR management response for Board consideration</li> </ul>	<ul style="list-style-type: none"> <li>• participates in development of the MTR inception report and recommendations together with the AF-TERG team</li> <li>• contributes to Board decisions through briefings and proposals</li> <li>• implements Board decisions emanating from the MTR</li> <li>• implements MTR recommendations directed to the secretariat</li> <li>• learns from the implementation and how other organizations prepare and implement strategies to be used for future MTSs</li> </ul>
<b>Fund Implementing Entities, Designated Authorities, NGO/CSOs</b>	<ul style="list-style-type: none"> <li>• affected by any Board decisions with regards to the MTS</li> <li>• active participation, providing information, identifying potential areas of enquiry for the MTR and assessment of the MTS implementation to the MTR team.</li> <li>• review and comment on the draft MTR.</li> </ul>	<ul style="list-style-type: none"> <li>• implement the MTR recommendations directed to these groups, if any</li> <li>• provide feedback in key draft documents</li> <li>• learn how MTS implementation is impacting the preparation and implementation of projects.</li> </ul>

The MTR will specify the key target groups responsible for each recommendation proposed.

### **Emerging evidence from the field of strategy**

Phase 1, running into December 2020, involves review of literature on strategies, and organizational strategies from other groups. These include other climate financing entities, UN agencies, environmental non-governmental organizations (NGOs), the private sector, interviews with secretariat staff about how they use the MTS, and interviews with experts from leaders in the field of strategy. The purpose of phase 1, as per the TOR, is "to develop a synthesis of key issues, experiences, and lessons relevant to reviewing the MTS" to determine the priorities and review questions for the MTR. Phase 1 has fed into the development of the inception report and will continue to frame and guide the MTR, particularly in the assessment of the quality of the strategy.

The options for a Medium-Term Strategy document (Adaptation Fund, 2016a) offers a starting point for understanding how the Fund conceived its strategy and distinguishes it from a strategic plan:

*“A strategy is bigger than a strategic plan. It addresses fundamental questions, such as “How can we make a difference? What is our niche and where should we focus our efforts? What types of action should we take to succeed, and what kinds of abilities and systems will we require?” A strategy is broader than a strategic plan. It is long term, flexible and capable of adapting to new circumstances.” (p.4)*

Strategy has evolved from serving as a “blueprint” for what an organization will do, based upon “the ability to foresee future consequences of present initiatives” (Henderson, 1981). The seminal publication *Strategy Safari* (Mintzberg, Lampel, and Ahlstrand, 1998) charts the evolution of the field of strategy from the mid-1960s to the mid-1990s. It retains its relevance to the strategy field now, particularly as the field of evaluation considers how it should respond to change, crises, and shocks.

Table 4 sets out a typology of the key “schools of strategy” according to Mintzberg and colleagues, and how they relate to the Fund’s MTS. The strategy field has evolved from assumptions of a stable external environment to one that considers uncertainty in strategy design. The AF-TERG evaluation team conducted the MTS as it sees it used today. It considers which aspects of the strategy schools are relevant to the context, mandate, and governance structure of the Fund. The MTR may reveal that future strategies should include different dimensions and be used in different ways given a changing context.

The several schools of strategy are analysed for their key operating principles, flexibility, suitability to different contexts, and potential relevance to the context of the Fund’s MTS. For example, the design school assumes that an organization’s mission/vision would remain stable (high rating). However, it also assumes the type of strategy posited by the school has a low level of resilience to uncertainty. The design school strategy applies equally to natural and human systems (moderate rating) and could apply to the Fund (moderate rating). The analysis of the different schools applies this rating to compare and determine the most appropriate type of strategy for the needs of the Fund.

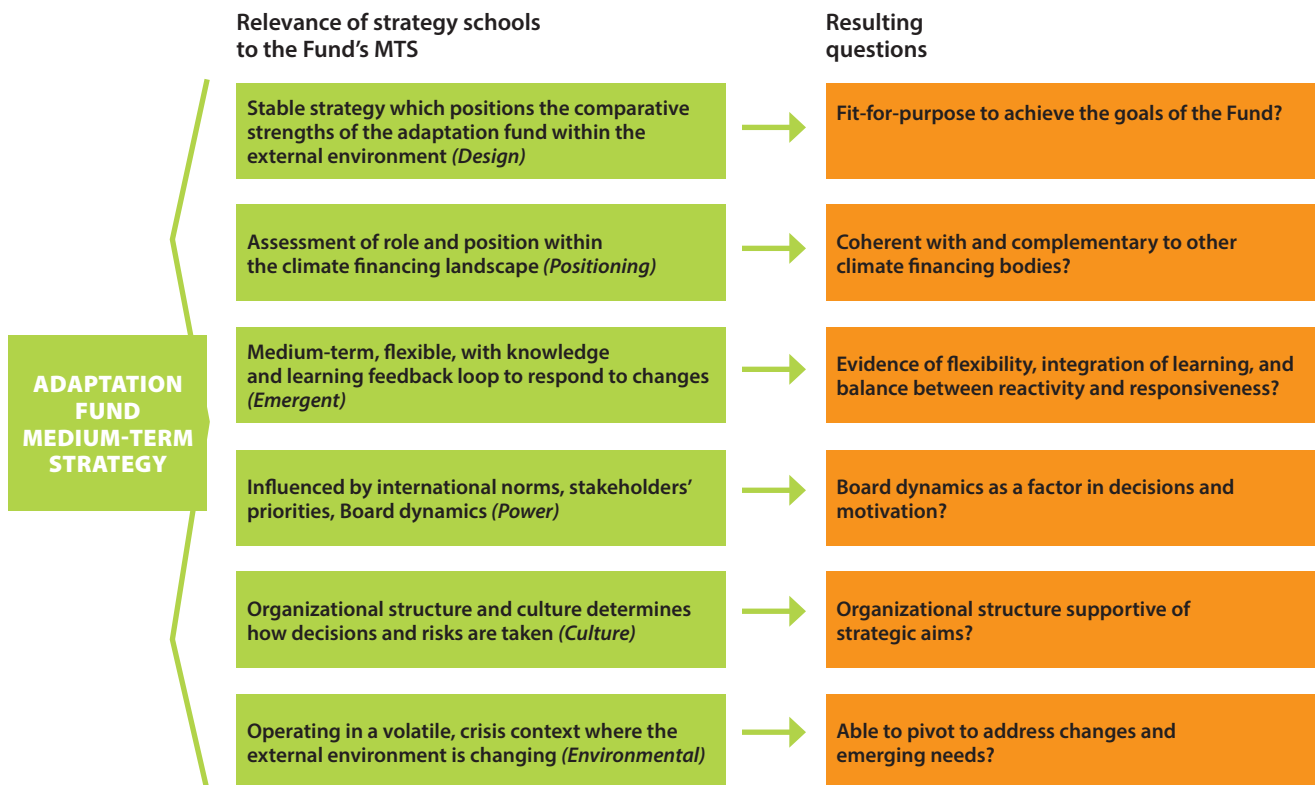
In considering the implications for the assessment of the MTR, the analysis of the schools of strategy posits several questions to help frame the analysis of the MTS and to characterize the Fund’s strategy (Figure 3). This analysis has been included in the development of the review matrix (Annex 1).

**The several schools of strategy are analysed for their key operating principles, flexibility, suitability to different contexts, and potential relevance to the context of the Fund’s MTS.**

**Table 4. Schools of strategy and relevance to the Fund's MTS**

	Design	Planning	Positioning	Entrepreneurial	Cognitive	Learning/ Emergent	Power	Culture	Environmental	Configuration
In a nutshell	Internal strengths plus external possibilities	Formal planning and procedures	Market position	Cult of personality	Strategy as mental process	Strategy as emergent process	Strategy the results of power play	Strategy based on common interests and social power	Strategy depends on events and reaction to them	Strategy as leaps to new stages that transform organization
Stability of mission	High	High	High	Moderate	Moderate	Moderate	Low	High	Moderate	High
Resilience to uncertainty	Low	Low	Low	High	Moderate	Moderate	High	Moderate	High	Moderate
Suitability to natural and human systems	Moderate	Low	Low	Low	Low	High	Moderate	Moderate	High	High
Relevance to the Fund	Moderate	Low	Moderate	Low	Low	High	Moderate	High	High	Low

**Figure 3. Fine-tuning of MTR key questions, coming from Phase 1**





While there is no one-size-fits-all approach to strategy and how it is used, Phase 1 analysis derived the following guiding principles for effectiveness:

- Strategy is not only what you say but also what you do.
- Context is everything (Martin, 2014).
- There is no singular blueprint for development but rather flexible, responsive, and adaptive programming.
- Best fit, not good practice (Ramalingam, Laric, and Primrose, 2014).
- Enabling, not doing (Beer, 2020).
- Real-time learning and adaptation.

Over time, an organizational strategy cannot stay static and must continue to evolve (Table 5). The strategy landscape reveals a varying scale in the degree and nature of strategic change. To understand how the MTS is positioned to respond to change, how it might future-proof for future changes, and to provide an assessment of the flexibility of the strategy, the team has developed the following categories for the magnitude and direction of change.

**Table 5. Level of change for a strategy over time**

Magnitude of change	<ul style="list-style-type: none"> <li>-incremental: "We are doing great we just need to fix X."</li> <li>-expansion: "We should do more, for wider impact."</li> <li>-contraction: "We should do less, for more impact."</li> <li>-no change: "We are doing great – more of the same, please."</li> </ul>
Direction of change	<ul style="list-style-type: none"> <li>-pivot: "We need to change what we are doing or how we are doing what we do."</li> <li>-redirection: "We need to stop what we are doing and do something else."</li> <li>-compartmentalization: "We should do the same thing but reorganize it."</li> <li>-clarification: "We are doing a good job, but we need to make it clear what we do and how we do it."</li> <li>-confusion: "We are not sure what we are supposed to be doing right now or in the future."</li> <li>-sliding backwards: "Let's go back to what we did before."</li> </ul>

When an organization either adopts a new strategy, makes a change in its strategy, or continues along its track, there are different triggers, or levers for change, which are internal, external, or both.

**Table 6. Triggers or levers that could cause change in an organization**

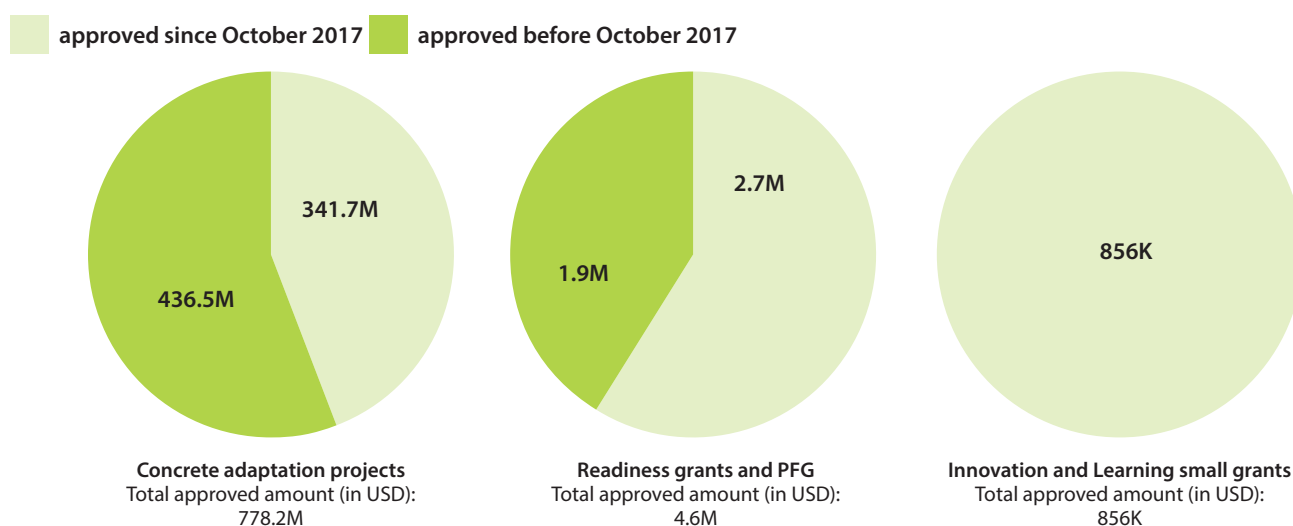
Internal	External
Leadership	Shocks, stressors, and crises (human and natural)
New learning	Resource scarcity or availability
New incentives	Shifting governance dynamics
Poor/exemplary performance	Competition – new funds entering the space
Changes in organizational culture/ structure	Changing national and regional priorities
	Laws and regulatory changes

## Overview of the Fund's portfolio considered in the MTR

The MTR will analyse the evolution of the Fund's portfolio and pipeline during the period of the MTS. The analysis will primarily focus on the Fund's portfolio after approval of the MTS (October 2017). The MTS may have influenced the design of these projects and it may have supported the decision of which proposals should have been approved by the Board. The portfolio review will also consider the portfolio and pipeline prior to the MTS. It looks at these as a baseline to assess potential trends and changes in the design and decision-making process to approve proposals potentially connected with the MTS.

Since the approval of the MTS in October 2017, the Fund has approved more than USD 340 million<sup>6</sup> for concrete adaptation projects. It has approved another USD 2.7 million for project formulation and readiness support. Finally, it has approved almost USD 1 million under its new innovation and learning small grant windows, initiated under the MTS. These approvals brought the Fund's total funding commitments to help developing countries build resilience and adapt to climate change close to USD 800 million since its inception (Figure 4).

**Figure 4. Growth of the Adaptation Fund portfolios since the approval of the MTS**



Source: Adaptation Fund Financial Intermediary Funds platform and Fund decisions. Data as of 15 December 2020. Analysed by the AF-TERG.

Notes: The data contain 114 approved concrete adaptation projects, 49 readiness grants, 73 project formulation grants (PFGs), 3 innovation small grants, and 1 learning grant.

Since approval of the MTS in October 2017, the concrete adaptation project portfolio has grown significantly. In all, 48 projects were approved for a total value of more than USD 340 million. Sectors that received a significant portion of the nominal funding in the MTS period so far include disaster risk reduction (USD 118 million), food security (USD 64 million), and agriculture (USD 45 million) (see Figure 5). Under the umbrella of the MTS's Innovation Pillar, two innovation small grant aggregators were also funded through the concrete project portfolio for USD 10 million.

6. These calculations include approvals in October 2017 as well, which bring the total to USD 341,674,801 according to the latest dataset received from the FIF on 4 January 2021.

**Figure 5. Project formulation grants**

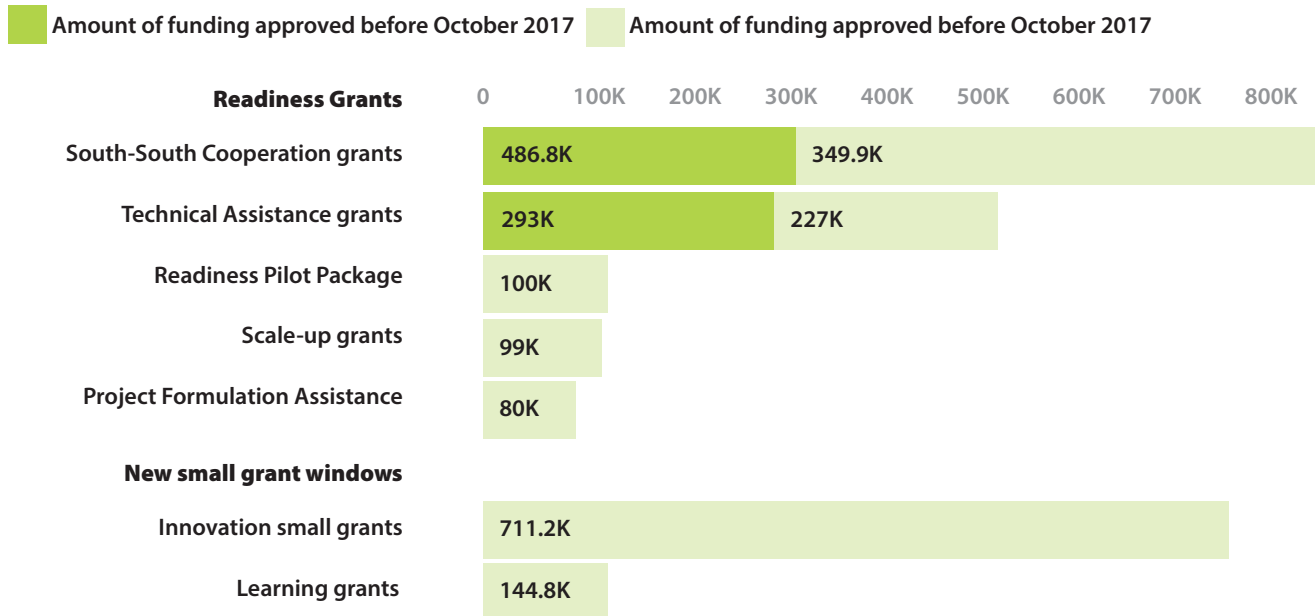


Source: Adaptation Fund Financial Intermediary Funds platform and Board decisions. Data as of 15 December 2020. Analysed by the AF-TERG.  
 Notes: All values are in USD. The data contain 73 project formulation grants for the total value of USD 3 million.

Beyond the expansion of the concrete project portfolio, the Fund has also significantly increased its portfolio of smaller grants too (see Figure 6). Project formulation grants (PFGs), and already existing readiness grant types, have continued under the MTS. New types of readiness grants were approved, such as scale-up grants and project formulation assistance. As envisaged in the MTS, two small grant windows were also created to support the Innovation and Learning and sharing pillars.

This MTR considers those grants that entered the pipeline by 31 December 2020.

**Figure 6. Distribution of approved smaller-sized grants**



Source: Adaptation Fund Financial Intermediary Funds platform and Board decisions. Data as of 15 December 2020. Analysed by the AF-TERG.  
 Notes: All values are in USD. The data contain 49 readiness grants for the total value of USD 1.6 million, three innovation small grants, and one learning grant.



## 4. Approach and methodologies

The MTR will use a series of approaches and methods from the field of MTRs. They are described below. Several overlapping considerations will underpin the approach and methods applied by the team:

- fully considering and incorporating AF-TERG principles
- situating the MTS within the **lessons, experiences, and failures** from the “field of strategy”
- **prioritizing of learning** throughout the process, characterized by co-development of the process and deliverables
- recognizing that **uncertainty**, shocks, stressors, and changing conditions must be in the purview of the MTR
- considering the **nexus of the human and natural systems**
- consulting and assessing the Theory of Action to understand the impact of the MTS
- considering the possibility of a “null hypothesis” using the portfolio as **evidence of practice**
- ensuring the MTR pays attention to gender equality issues and the most **vulnerable communities and social groups**.

### MTS Theory of Change → Theory of Action

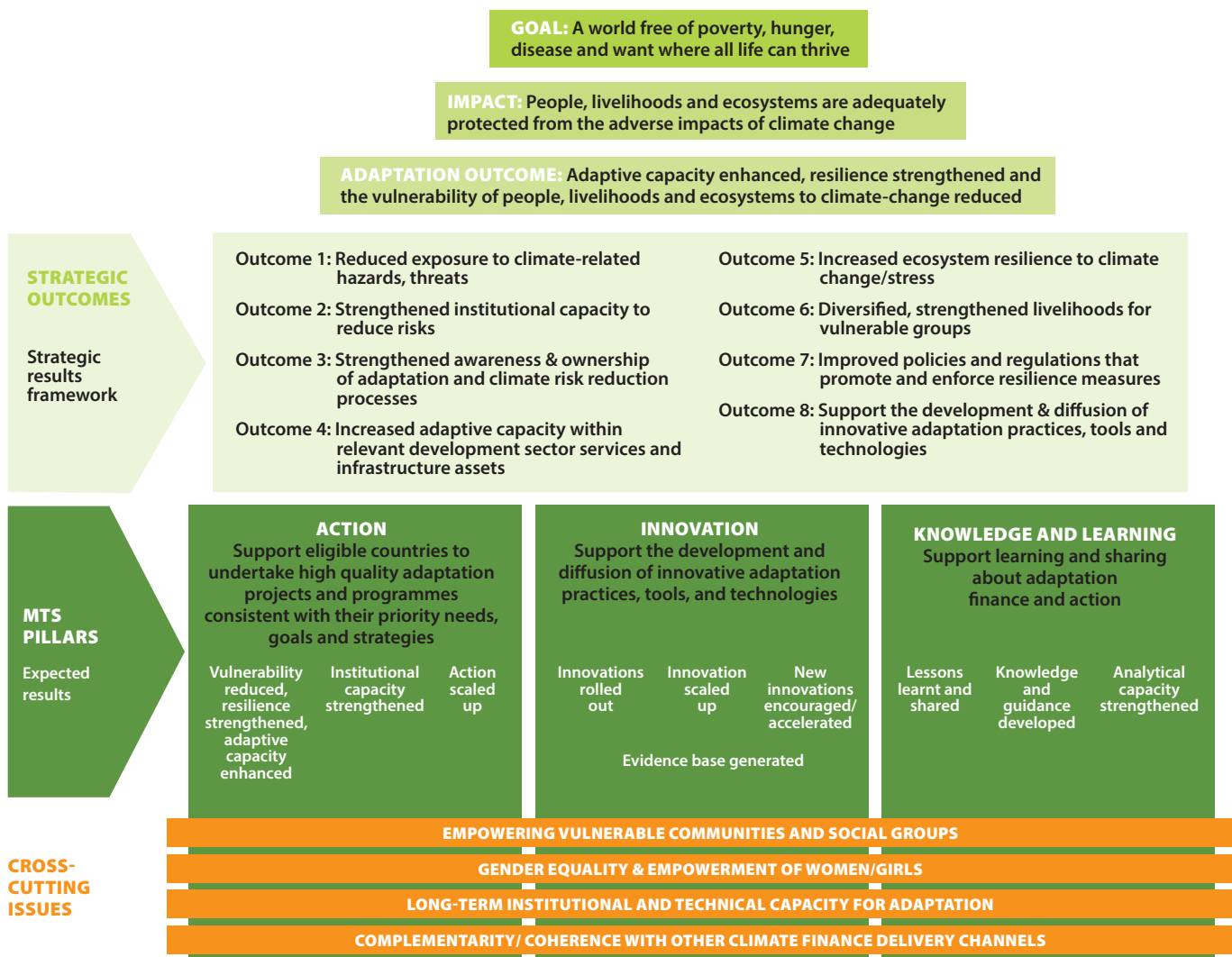
The MTS presents a Theory of Change (TOC) derived from and situated within the Paris Agreement and the 2030 Agenda for Sustainable Development. For the purposes of the MTR, the review team **has zoomed in** on the Fund’s niche and specific outcome areas related to adaptation. This revised Theory of Action (TOA) will provide the basis for understanding the Fund’s strategy.<sup>7</sup> Using a TOA for the MTR allows a description of how the Fund’s programmes are set up to pursue its objectives.

The revised TOA focuses on the Adaptation Outcome as per Paris Agreement Article 7 and SDG 13.1 and incorporates the eight outcomes introduced by the MTS and later by the IP. This is mapped against the three strategic pillars, the four cross-cutting issues and the expected results for each strategic pillar of the MTS.



7. Unlike a Theory of Change, a Theory of Action aims to capture the delivery model and means for implementation of the outputs/outcomes, etc. For the Adaptation Fund, the TOA aims to capture the structures and processes created and supported by its readiness activities, knowledge learning activities, and provision of direct access. A summary of this is offered by Coffey.

**Figure 7. Revised Theory of Action for the purposes of the MTR**



### Data collection methods

The review team will use a mixed-methods approach to collect data, linked to the key questions proposed in the review matrix (see Annex 1). The review matrix will be used as the critical tool through which the team will analyse and triangulate evidence from different sources. The review matrix has incorporated the good and emerging practices in the field of strategy.

Data collection will use both quantitative and qualitative techniques. This will include analysis of Board decisions (see Annex 4), annual reporting, and management information; survey of a broad number of stakeholders; and key informant interviews.

Given the timeline and the nature of the review, each of the stages, methods, and strands of the assessment are complementary.

## 1) Document/literature review

As part of the inception phase, the review team has undertaken a rapid review of Fund documentation, as well as literature from other organizations. It focused on the strategies of other climate change financing bodies, other funds, environmental NGOs, humanitarian organizations, and management literature (see Annex 3).

The review team will continue its enquiry process through a detailed documentary review of Fund project information from the Financial Intermediary Funds (FIF) Collaboration Platform, Board decisions, Fund policy and process information, and guidance from the United Nations Framework Convention on Climate Change (UNFCCC) guidance and other sources. The document review will also draw on knowledge products produced by the Fund (Annual Performance Reports, Briefing Notes, E-learning courses, Infographics & Flyers, Knowledge Platforms, Project Performance Reports (PPRs), Mid-term Evaluation Reports (MTRs) and Terminal Evaluation Reports, project stories, project videos, strategies, and studies and knowledge products produced by IEs.

The findings from reviewing documents will be framed according to the review matrix, questions, and criteria; and triangulated against other data sources to generate robust findings.

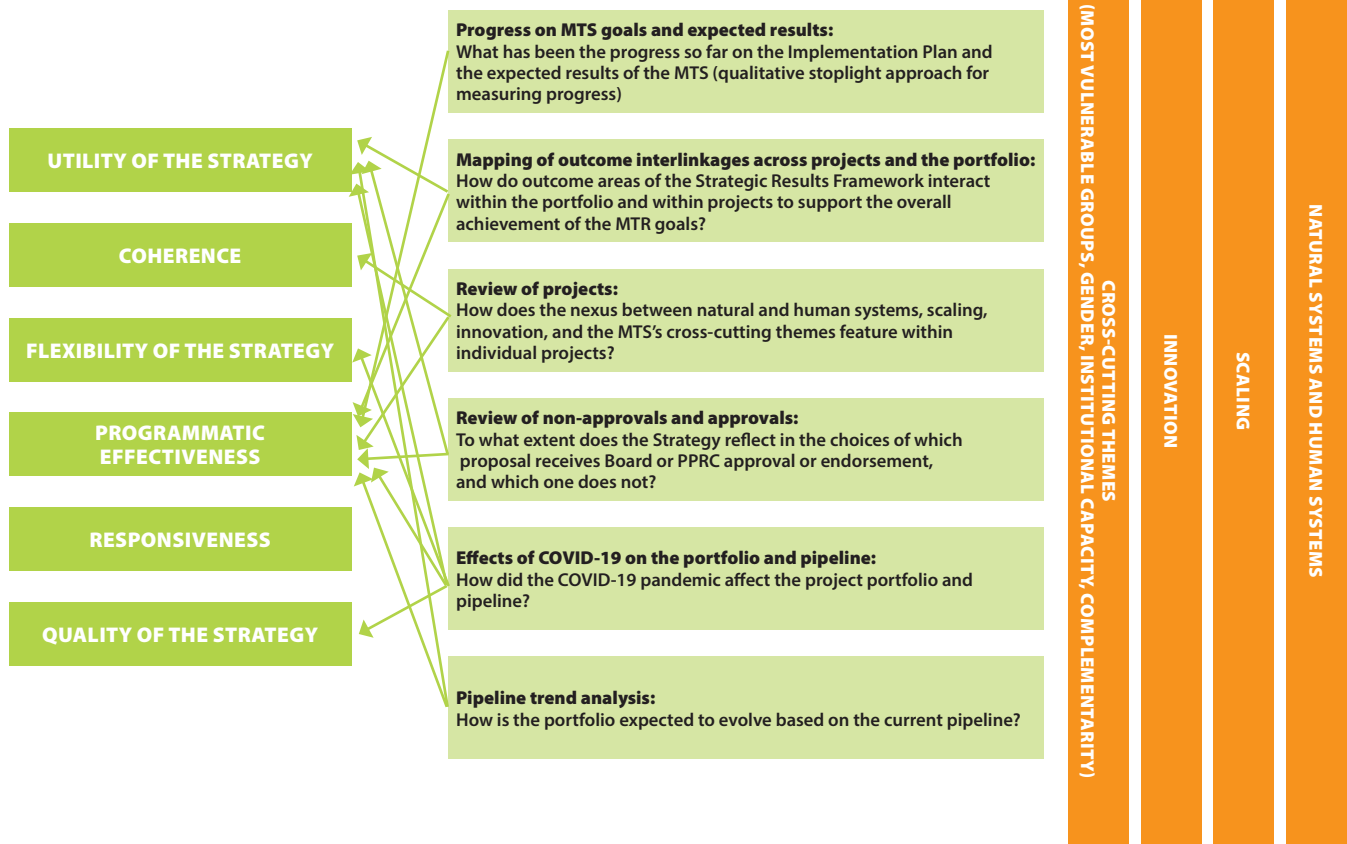
## 2) Portfolio review

The Fund's portfolio of projects will be reviewed to understand the role of the MTS in shaping the Fund's decisions, choices, and results (actuals and expected) of the portfolio approved. The review will also assess progress in achieving outcomes of the MTS to date. The review matrix outlines the key questions driving the Portfolio Review (see programmatic effectiveness section of the review matrix). The data will be interpreted to pursue the following lines of enquiry:

- How far has the Fund progressed towards achievement of the expected results of its strategic focus areas as contained in the strategy and its IP?
- To what extent has the MTS shaped the current Fund's portfolio and pipeline?
- To what extent/how has the MTS better enabled the Fund to respond to country and climate needs?

In addition to assessment of programmatic effectiveness, the review of the portfolio will provide crucial insights into how the MTS has been operationalized, with special attention to the three strategic pillars. It also contributes to the understanding of the Fund's role in the evolving climate finance landscape, and aspects of complementarity and coherence. As depicted in Figure 8, the portfolio will be reviewed to assess progress, trends, and strategic decision-making by the Board. Individual projects will be reviewed in detail to understand how they have integrated the MTS strategic priorities and cross-cutting issues.

**Figure 8. Data review framework**



A primary source of data for the portfolio review is the data management system, particularly the FIF Collaboration Platform of the secretariat. Data from the FIF are cleaned, validated, and analysed by the team. Additional data will be gathered from proposals, PPRs, Board meeting reports and decisions, and other relevant documents.

### 3) Responsiveness analysis

The MTR intends to assess how the Fund MTS has responded to UNFCCC CMP/CMA guidance, and country and climate adaptation needs. To that end, it analyses how, and to what extent, the Board decisions and Fund guidance have integrated CMP decisions and guidance from 2014 to present. In addition, the MTR will review how the Board has implemented the MTS and how Board decisions have influenced implementation of the MTS. The MTR will also summarize how the Board receives and responds to decisions and guidance from the UNFCCC (see matrix “Responsiveness” and Annex 6 review).

#### 4) Key informant interviews

Due to the nature of the study, and the limitations on travel presented by the COVID-19 pandemic, the team will interview key informants via videoconferencing. As part of the inception phase, it held initial discussions with the Chairs of the EFC and management of the secretariat. In addition, it will interview selected Board members, IEs, and institutional partners. A proposed list of interview stakeholder groups is included in Annex 5.

Bringing together secretariat staff, EFC members, Board Chairs, and stakeholders, the individual and group interviews will be conducted as mid-action reviews.<sup>8</sup> To understand the utility and effectiveness of the MTS, interviewees will be asked the following questions:

- **What is the purpose of the MTS?**
- **What was the MTS designed to do?**
- **What should it have done up to this point?**
- **What actually happened?**  
(How did the Fund's work look different before/after the strategy?)
- **Why were there differences?** (What was expected/what happened?)
- **What worked well and why?**
- **What are the emerging/future challenges facing countries and how does the MTS need to position itself to adapt to or be resilient to these challenges?**

#### 5) Stakeholder survey

A key engagement tool, to maximize coverage, and to develop a broad-based understanding of the utility, flexibility, and effectiveness of the MTS, will be a survey to key Adaptation Fund stakeholders. This will include all Board members, representatives of the secretariat, IEs (national and multilateral), Designated Authorities from countries, and members of the AF NGO Network. Responses will be analysed according to the different groups of respondents, if there are sufficient responses.

The survey will be administered through an online survey tool (Zoho Survey). It will use a branching approach so that a respondent's stakeholder type informs the specific questions that they will be asked. The tool will also use a "forced-choice" protocol to ensure respondents select a response option that indicates a definitive opinion. In this way, they will have to express an opinion closest to their perspective. Provision will also be made to gather qualitative feedback in relation to each statement. During analysis, qualitative responses will be coded to identify themes and trends.

The online survey, which the AF-TERG will send, will only include responses received during the short timeframe (two weeks) that the survey will be open. Unattributed analysis and reporting of sensitive content will protect respondents' identities.

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8. The approach is drawn from the After-Action Review process: [www.betterevaluation.org/en/evaluation-options/after\\_action\\_review](http://www.betterevaluation.org/en/evaluation-options/after_action_review).



The survey will offer an opportunity to collect quantitative and qualitative information about the utility and effectiveness of the MTS through its three strategic pillars and cross-cutting issues.

## **6) Webinars and small group discussions**

Given the emphasis on learning, the review will employ the use of online webinars and small group discussions to maximize the exchange of ideas and perspectives. Key stakeholders include the climate financing sector, humanitarian and philanthropic organizations, and other disciplines. Examples of the topics that should be included in future webinars and small groups include:

- perspectives from the field of strategy
- understanding the use and role of the strategy in decision-making
- discussions and feedback on the MTR initial findings
- discussions and participatory approaches to identified MTR recommendations.

## **7) Comparative analysis**

The MTR aims to understand the Fund's niche, added value, and unique role within the climate financing architecture. The third review of the Fund by the CMP<sup>9</sup> refers to the Board's work to draft the MTS, "*which addresses the issue of the future and niche of the Adaptation Fund within the evolving climate finance architecture, among others.*" Reflecting this, the review will assess the extent to which the MTS positions the Fund by helping it to play to its comparative advantages and niche. To that end, the review will analyse the Fund's alignment and complementarity with other adaptation-focused climate finance institutions (e.g. Green Climate Fund, Least Developed Countries Fund, Special Climate Change Fund) (See review matrix "Coherence").

## **8) Descriptive review of relevant organizational approaches to strategies**

Within the landscape of climate change adaptation financing, there is a broad range of funding and financing facilities. Each uses its strategy to inform investments and determine what matters (e.g. multilateral and bilateral agencies, environmental NGOs, philanthropic organizations) in different ways. Similarly, they operate and take risks differently. The team will review, through documents and selective interviews, the strategies from three-four relevant organizations. This is not a benchmarking exercise, but an opportunity to consider and learn from the experiences, practices, and models established by other organizations in the design, use, and flexing of their strategies. Relevant strategic approaches of these organizations will be analysed, alongside the Fund's MTS, to offer lessons and possibilities for the Fund's next strategy.

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9. <https://unfccc.int/sites/default/files/resource/docs/2017/tp/06.pdf>.



### The art of the possible

The MTR has twin goals. On the one hand, it must assess what has been accomplished (or not) so far by the MTS. On the other, it must understand how institutional characteristics have shaped the development of the MTS and then its implementation. In this process, it is important to recognize the context in which the MTS was developed (“what is needed” and “what is allowed”) and what it was supposed to do (“what was promised”). But context and intent will be determined by what is possible. Furthermore, the MTR should take into account “what is possible” on considering areas for improvements (e.g. recommendations). The following questions drive the analysis of what is possible:

**What is needed? The scale of the climate change challenge as agreed by the international community. <sup>10</sup>**

- large amounts of financing
- climate change is already happening
- fast action<sup>11</sup>
- diverse solutions<sup>12</sup>
- engagement of stakeholders
- management of knowledge
- country-driven, gender-responsive, participatory, and fully transparent approach
- consideration of vulnerable groups, communities, and ecosystems
- Paris Agreement Article 7.

10. <https://unfccc.int/topics/adaptation-and-resilience/the-big-picture/new-elements-and-dimensions-of-adaptation-under-the-paris-agreement-article-7>.

11. Shifts in the seasons and an increasing frequency of extreme weather events and other climate change impacts and slow onset events. The faster the climate changes, and the longer adaptation efforts are put off, the more difficult and expensive it could be.

12. Adaptation solutions take many shapes and forms, depending on the unique context of a community, business, organization, country, or region. There is no “one-size-fits-all solution.”

### **What is allowed? Legal parameters as defined by global conventions, CMP/CMP decisions, and Fund policies**

- (a) Assist developing country Parties to the Kyoto Protocol that are particularly vulnerable to the adverse effects of climate change in meeting the costs of adaptation;
- (b) Finance concrete adaptation projects and programmes that are country-driven and are based on the needs, views, and priorities of eligible Parties.<sup>13</sup>
- As of January 2019, the Fund serves the Paris Agreement.
- Compliance with Board decisions, policies, and guidelines.

### **What is promised? Fund commitments as set out in the MTS**

- The Fund's MTS updates and refines the Fund's niche to better serve the evolving needs of Parties to the UNFCCC. Towards this end, the Fund's Vision, Goal, and Impact are derived from the Paris Agreement (especially Articles 7, 9 and 11), the 2030 Agenda for Sustainable Development (especially SDG 13), and their implied TOC.

### **What is possible? Resourcing, uses, and capacity**

- What is determined to be possible has practical potential to expand or contract. This may include how the strategy may be used to drive decision-making, determine risk-appetite, and make decisions about organizational capacity, partnerships, and people at the helm.

## **Risk assessment**

The table below outlines an assessment of the risks and limitations the team identified for this review, and proposed mitigation actions.

### **Limitations**

The MTR of an MTS is not intended to assess the whole of the Fund's structures, governance, and financing arrangements. In the same vein, it does not attempt to evaluate the relevance, efficiency, or effectiveness of the Fund projects and programmes. While they are important for context, Fund policies and key activities are not assessed either.

Country engagement for this review is limited. Beyond engagement with designated authorities through the survey, the review will not directly interview country stakeholders. It will therefore not fully benefit from the experience and perspectives of country stakeholders and beneficiaries.

The MTR does not make its own assessment of external factors such as weather patterns, the carbon market, or changes in the global health situation surrounding COVID-19. Nevertheless, these may influence the role, positioning, and relevance of the MTS.

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13. Decision 1/CMP.3, paragraphs 1 and 2, the Adaptation Fund <https://unfccc.int/resource/docs/2008/cmp4/eng/11a02.pdf#page=21>.

**Table 5. Key risks and mitigation actions**

Risks	Impact	Probability	Mitigation actions
Failure to translate the potential of the MTS to guide and enhance impact	High	Med	Undertake a comprehensive diagnostic of the current context, capacities, and operating environment of the Fund, design an approach that supports ongoing learning, implement the MTS through a participatory approach with stakeholders, communicate findings and recommendations clearly and collaboratively.
Mismatched expectations between stakeholders about the purpose of the MTR resulting in stakeholders not using it	High	Med	Throughout the MTR, key stakeholders will contribute to definition of questions, populations included, and later to interpretation. The team will share, discuss, and disseminate the purpose, goals, processes, and intended outputs of the MTR.
Delay in setting up interviews with staff and experts	Med	Med	In case interviewees are unavailable, we have identified possible alternatives. The team is flexible about the interviewees that are engaged in the process.
Delay in rolling out the survey	Med	Med	We will rely on contact lists from the secretariat. We will work through existing communications channels to distribute the survey.
Slow or low response to the survey	Med	Med	Depending on the number of stakeholders invited to participate, the review team can make personal contact via email to let respondents know that they will be invited to take part. This level of personal contact can increase the response rate. Additionally, the survey software provides follow-up emails and reminders to encourage participation.
Unexpected unavailability of team members	Low	Low	We have a team that is available for the period outlined for this assignment.
Data paucity	Med	Low	The Fund is well documented. However, the data management systems of the Fund secretariat were not tailored for the data requirements of the evaluation function. The team is in contact with the secretariat to gather and validate the data required for the purposes of this evaluation.
Delays due to COVID-19	Low	Low	This review is being conducted during the COVID-19 pandemic. Stakeholders are largely working from home and adjusting to local restrictions imposed. It is not anticipated this will significantly affect the study.



## 5. Deliverables, work plan and team

The MTR of the MTS runs from November 2020 into October 2021, culminating with final recommendations presented at the AF Board meeting. The MTR process is designed to include opportunities for comment and validation from stakeholders at key stages throughout.

### Key deliverables

	30 Oct	6 Nov	13 Nov	20 Nov	27 Nov	4 Dec	11 Dec	18 Dec	25 Dec	1 Jan	8 Jan	15 Jan	22 Jan	29 Jan	5 Feb	12 Feb	18 Feb	26 Feb	5 Mar	12 Mar	19 Mar	26 Mar	2 Apr	9 Apr	16 Apr	23 Apr	30 Apr	7 May	14 May	21 May	28 May	4 Jun	11 Jun	18 Jun	25 Jun	2 Jul	9 Jul	16 Jul	23 Jul	30 Jul	6 Aug	13 Aug	20 Aug	27 Aug	3 Sep	10 Sep	17 Sept	24 Sept	1 Oct	8 Oct	15 Oct	22 Oct	29 Oct						
Phase 1 Concept Note																																																											
Inception Report																																																											
Inception Presentation: Advisory group validation of inception report																																																											
Responsiveness chapter																																																											
Portfolio Review Summary																																																											
Draft MTR Findings and Recommendation areas																																																											
MTR presentation/ webinar																																																											
Board meeting																																																											
Recommendations consultation webinars																																																											
Final Recommendations presented at Board meeting																																																											





The MTR is commissioned and produced by the AF-TERG, with oversight and leadership of AF-TERG members at all stages of the MTR.

## MTR Team roles and responsibilities

	<b>Role</b>	<b>Responsibilities</b>
AF-TERG	Commissioner and Final Producer of the Review The AF-TERG will monitor its implementation, provide guidance, comment on, and sign off on key deliverables at determined points of the process.	
Board secretariat	Ongoing participation in interviews and feedback on interim and final deliverables throughout the MTR	
Dennis Bours	AF-TERG Secretariat Coordinator	Coordination of MTR processing
Claudio Volonte	AF-TERG member and focal point for the MTR	Oversight and lead adviser for MTR
Nancy MacPherson	AF-TERG member/adviser	Technical lead for Phase 1 of MTR and throughout MTR
Andy Rowe	AF-TERG member/adviser	Technical adviser throughout MTR
Caroline Marie Holo	AF-TERG Secretariat	Leading analysis of MTS responsiveness to CMP, UNFCCC decisions
Judith Friedman	Senior Monitoring and Evaluation Consultant (STC)	Lead consultant in the preparation and implementation of the MTR (e.g. conduct research on use of strategy and good practice; prepare Inception Report, and draft and final MTR; conduct the MTR; and provide recommendations for the Board)
Liza Ottlakan	Data Analyst (STC)	Portfolio review, survey design, interviews, comparative analysis





## ANNEX 1: Review Matrix

Criteria	Basis for assessment	Key question	Sub-questions	TOR	Data collection methods	Key data sources
Utility of the strategy	Mechanics of how the strategy is used compared with the possibilities of how it could be used; intention compared with application as determined by organizational, management, and institutional drivers	Is the MTS fit for purpose?	<p>Orientation/contextualization:</p> <ul style="list-style-type: none"> <li>Describe how the strategy used across the Fund (Board, secretariat, IEs, others)</li> <li>What do Fund stakeholders think the MTS is?</li> <li>What (policies, structures, processes) sits outside of the strategy?</li> </ul> <p>How is strategy used?</p> <ul style="list-style-type: none"> <li>To support achievement of the Fund's goal/mission?</li> <li>To support decision-making, and risk-taking?</li> <li>To help guide choice-making, for example, on funding decisions?</li> <li>To motivate the institution and support effective management/organizational arrangements?</li> </ul>	I, II, V	<ul style="list-style-type: none"> <li>Interviews with UNFCCC sec, Board members and observers, Fund secretariat, IEs and others</li> <li>Literature review Phase 1</li> <li>Survey</li> </ul>	Interview reports Phase 1 analysis: Strategies and Strategy reviews/evaluations from comparator organizations
Flexibility of the strategy	Assessing the ability to respond to what is needed given the external constraints	Is the Fund's strategy relevant to the changing global context and does it enable flexible priority setting to meet changing needs?	<p>Evidence of flexibility</p> <ul style="list-style-type: none"> <li>Can it pivot to challenges and needs within the context of COVID-19?</li> <li>How have these shifts/adaptations been driven?</li> <li>How has the strategy integrated new findings on climate and COP guidance?</li> <li>Has the strategy pivoted in response to other changing/accelerating conditions?</li> </ul>	I, II	<p>Interviews: Fund staff, interviews with Board, interviews with NIEs</p> <p>Stakeholder survey</p>	Interviews  Portfolio analysis 2020
Programmatic effectiveness	Assessing what the MTS enables and what the Fund has achieved (so far); understanding the constraints and enablers	<p>How far has the Fund progressed towards the expected results of the strategic focus areas as contained in the strategy and its IP?</p> <p>To what extent has the MTS shaped the Fund's portfolio and pipeline?</p> <p>How has the MTS better enabled the Fund to respond to country and climate needs?</p>	<p>Achievements so far</p> <ul style="list-style-type: none"> <li>Based on available evidence, to what extent has the MTS achieved its outcomes so far?</li> <li>What are the aggregated results (actual and expected) of the portfolio at the Fund and country levels?</li> <li>What were the accelerators and blockages, and why?</li> <li>What are the results on innovation and learning/knowledge sharing across the portfolio of approved projects?</li> </ul> <p>Cross-cutting issues:</p> <ul style="list-style-type: none"> <li>To what extent do the projects mainstream/incorporate gender and equity?</li> <li>To what extent do projects and programmes take special measures to engage, empower, and benefit vulnerable communities and those most vulnerable to climate change?</li> <li>To what extent do projects focus on or prioritize institutional and technical capacity for effective adaptation?</li> <li>To what extent do projects take stock of other interventions in a country or region?</li> <li>To what extent are projects built to achieve scale?</li> </ul>	I	<p>Literature review of Fund projects (development and delivery of the project portfolio) Analysis of the Fund's knowledge products</p> <p>Interviews: secretariat staff, interviews with Board, interviews with (N)IEs</p> <p>Stakeholder survey</p>	Fund project portfolio

(continued)

## ANNEX 1: Review Matrix (continued)

Criteria	Basis for assessment	Key question	Sub-questions	TOR	Data collection methods	Key data sources
Coherence	Determining where Fund fits in the climate financing ecosystem. Assessing the alignment, harmonization, and complementarity with the work of other climate financing bodies	To what extent is the strategy complementary to and coherent with other climate finance delivery channels?	<ul style="list-style-type: none"> <li>Does the strategy fit with the strategies of other climate financing instruments (global, regional, national)?</li> <li>To what extent does the strategy take advantage of its opportunities to innovate and take more risks in order to identify scalable and effective climate investment opportunities for other funds? How does the Fund compare to other climate financing organizations in its emphasis on capacity building, speed of response, focus on vulnerable groups/places, and flexibility?</li> </ul>	II	<ul style="list-style-type: none"> <li>Desk review: comparative analysis of other climate financing strategies</li> </ul>	Comparative analysis: strategies and MTRs from other organizations (4-5 orgs)
Responsive-ness	<p>Assessing the difference between what the Kyoto Protocol permits and what the MTS aims to do</p> <p>Gap between what can happen, what should happen, and what you are allowed to do – what is the ambition of the Fund vs. what is the Fund doing and not doing? – and why is the Fund doing what it is doing?</p>	How, and to what extent, does the MTS respond to UNFCCC/CMP/CMA/ other guidance?	<p>Descriptive section:</p> <ul style="list-style-type: none"> <li>What are the most common types and areas of guidance?</li> <li>How has the guidance shaped the MTS?</li> <li>How has the MTS incorporated the guidance?</li> </ul> <p>How is the responsiveness of the MTS affected by governance dynamics?</p> <ul style="list-style-type: none"> <li>How does the Board provide strategic guidance to the MTS design and implementation?</li> <li>How does the Board develop, monitor, and evaluate the strategy?</li> </ul> <p>How has the Fund responded to guidance from other sources (e.g. country/regional bodies, IPCC)?</p> <p>Has the Fund's strategy been sufficiently ambitious in how it has responded to COP guidance?</p>	III, IV	<ul style="list-style-type: none"> <li>Interviews with UNFCCC sec, Board members and observers, Fund secretariat</li> <li>Literature review of UNFCCC decisions to the Fund, evaluations from other financial mechanisms</li> <li>Mapping of mechanisms that UNFCCC uses to generate and provide guidance to the Fund</li> <li>Mapping of reporting dynamics</li> </ul>	<ul style="list-style-type: none"> <li>Interview reports</li> <li>Review of UNFCCC decisions on the Fund, GCF and GEF independent evaluations</li> </ul>
Quality of the strategy (broad scoping)	<p>How a strategy can be used to inspire, and make decisions drawing on examples from other sectors.</p> <p>What is coming out of the strategy literature, how are strategies used, good and bad strategies across the different spaces e.g. humanitarian, etc.</p>	<p>Has the strategy been designed to allow the Fund do what it intends to do? Why and why not?</p> <p>What good practices can the Fund learn from and apply from the strategy field or other organizations?</p>	<p>Strategy design</p> <ul style="list-style-type: none"> <li>What is the quality of the strategy in the following areas?</li> <li>Comparative advantages</li> <li>Alignment with normative agreements</li> <li>Integration of learning</li> <li>Appropriate level of specificity</li> <li>Flexibility to pivot to crises and stressors</li> <li>Clarity on targets, timeframe, and monitoring and evaluation</li> <li>Roles and responsibilities</li> <li>Mechanisms to integrate learning and changes in the external environment, for natural/human systems</li> <li>Influenced by changes in human and natural systems?</li> <li>Quality of the implementation plan</li> </ul>	III, IV	<ul style="list-style-type: none"> <li>Review strategy literature, strategies from humanitarian, climate, and climate financing bodies, environmental NGOs</li> <li>Phase 1 interviews</li> </ul>	<p>Phase 1 analysis:</p> <ul style="list-style-type: none"> <li>Incentives for decision-making</li> <li>Governance structure</li> </ul>



## ANNEX 2: Original Terms of Reference

### 1. Introduction

#### 1.1. Background

The Adaptation Fund was established through decisions by the Parties to the United Nations Framework Convention for Climate Change and its Kyoto Protocol to finance concrete adaptation projects and programmes in developing countries that are particularly vulnerable to the adverse effects of climate change. At the Katowice Climate Conference in December 2018, the Parties to the Paris Agreement decided that the Adaptation Fund shall also serve the Paris Agreement. The Fund supports country-driven projects and programmes, innovation, and global learning for effective adaptation.<sup>14</sup> All of the Fund's activities are designed to build national and local adaptive capacities while reaching and engaging the most vulnerable groups, and to integrate gender consideration to provide equal opportunity to access and benefit from the Fund's resources. They are also aimed at enhancing synergies with other sources of climate finance, while creating models that can be replicated or scaled up. [www.adaptation-fund.org](http://www.adaptation-fund.org)

#### 1.2. Adaptation Fund governance

The Fund provides climate finance to developing countries that are members of CMP [CMA]<sup>15, 16</sup> through accredited Implementing Entities (IEs).

The Fund is supervised and managed by the Board, which is accountable to CMP [and CMA]. The majority of Board members are from developing countries. The Board has two committees, namely, the Ethics and Finance Committee (EFC), and the Project/ Programme Review Committee (PPRC). The EFC is responsible for advising the Board on issues of conflict of interest; ethics; finance; and fund and portfolio monitoring, evaluation, and audit.<sup>17</sup> The PPRC is responsible for assisting the Board with assessing project and programme proposals submitted to the Board and review project and programme performance reports.<sup>18</sup> An Accreditation Panel (AP) has been established to ensure that organizations receiving Fund money meet the fiduciary standards. The AP provides

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14. Adaptation Fund (2018). Medium-Term Strategy 2018-2022. March 2018. Available at: <https://www.adaptation-fund.org/document/medium-term-strategy-2018-2022/>

15. CMP; Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol. See: <https://unfccc.int/process/bodies/supreme-bodies/conference-of-the-parties-serving-as-the-meeting-of-the-parties-to-the-kyoto-protocol-cmp>

16. CMA; Conference of the Parties serving as the meeting of the Parties to the Paris Agreement. See: <https://unfccc.int/process/bodies/supreme-bodies/conference-of-the-parties-serving-as-the-meeting-of-the-parties-to-the-paris-agreement-cma>

17. The CMA and CMP also decided to ensure that developing and developed country Parties to the Paris Agreement are eligible for membership on the Adaptation Fund Board. CMP further requested that the Subsidiary Body on Implementation considers the matter and provides a recommendation in November 2019 during COP 25.

18. Adaptation Fund (2015). Ethics and Finance Committee Terms of Reference. Amended March 2018. Available at: <https://www.adaptation-fund.org/wp-content/uploads/2013/03/TOR-of-EFC-amended-in-Mar2018.pdf>

recommendations to the Board regarding the accreditation of new IEs and the suspension, cancellation, or re-accreditation of entities already accredited.<sup>19</sup>

The World Bank serves as an interim trustee of the Fund.<sup>20</sup> The Global Environment Facility (GEF), through a team of dedicated officials, provides secretariat services to the Board.

The Board secretariat manages the day-to-day operations of the Adaptation Fund such as research, advisory, and administrative services.

### **1.3. Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG)**

The Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG) is an independent evaluation advisory group accountable to the Adaptation Fund Board, established in 2018 to ensure the independent implementation of the Fund's evaluation framework.<sup>21</sup> The AF-TERG, which is headed by a chair, provides an evaluative advisory role through performing evaluative, advisory, and oversight functions. The group is comprised of independent experts in evaluation, called the AF-TERG members. A small secretariat provides support for the implementation of evaluative and advisory activities as part of the work programme.

While independent of the operations of the Adaptation Fund, the aim of the AF-TERG is to add value to the Fund's work through independent monitoring, evaluation, and learning. [www.adaptation-fund.org/about/evaluation/](http://www.adaptation-fund.org/about/evaluation/)

### **1.4. Context of the mid-term review of the Adaptation Fund medium-term strategy**

According to the MTS<sup>22</sup> and in relationship to its monitoring, evaluation, and reporting system, "the MTS constitutes the Fund's highest-level Results Framework for the 2018-2022 period and, as such, is the basis against which the Fund will be evaluated for both learning and accountability purposes." Towards this end:

- Implementing Entities will monitor, evaluate, and report on projects/programmes funded under Strategic Framework 1 (SF1) and SF2 in order to assess performance and distil valuable lessons that can improve the outcomes and impact of future projects.
- The Secretariat will monitor whether activities under SF1, SF2, and SF3 are being implemented and cross-cutting themes advanced in line with the Fund's 2018-2022 Strategy, and whether standards are being met, risks are being managed,

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19. Adaptation Fund (2012). Terms of Reference for the Establishment of the Adaptation Fund Board Accreditation Panel. Available at: [https://www.adaptation-fund.org/wp-content/uploads/2014/09/Accreditation-Panel-TORs\\_0.pdf](https://www.adaptation-fund.org/wp-content/uploads/2014/09/Accreditation-Panel-TORs_0.pdf).

20. Adaptation Fund (2019). Amended and restated terms and conditions of services to be provided by the International Bank for Reconstruction and Development as trustee for the Adaptation Fund (2017-2020). Available at: [https://www.adaptation-fund.org/wp-content/uploads/2019/06/AFB.B.33.b.Inf\\_2\\_Amended\\_and\\_Restated\\_Terms\\_and\\_Conditions.pdf](https://www.adaptation-fund.org/wp-content/uploads/2019/06/AFB.B.33.b.Inf_2_Amended_and_Restated_Terms_and_Conditions.pdf).

21. Adaptation Fund (2018). Report of the thirty-first meeting of the Adaptation Fund Board. March 2018. AFB/B.31/8, Annex III, Terms of Reference of the Technical Evaluation Reference Group (TERG). Available at: <https://www.adaptation-fund.org/document/report-thirty-first-meeting-afb-20-23-march-2018/>.

22. Adaptation Fund (2018). Medium-Term Strategy 2018-2022. March 2018. Available at: [https://www.adaptation-fund.org/document/medium-term-strategy-2018-2022/ Section 7.1.1. Monitoring, evaluation, and reporting system \(page 29\)](https://www.adaptation-fund.org/document/medium-term-strategy-2018-2022/Section%207.1.1.Monitoring%20evaluation%20and%20reporting%20system%20(page%2029).).

targets are being reached, and resources are being used efficiently. Findings and recommendations will be submitted to the Board in an Annual Performance Report.

- The Board will commission an independent performance evaluation of SF1, SF2, and SF3 activity portfolios, focusing on progress towards expected results, and lessons to be learned from failures, as well as success and implications for Fund-level outputs and objectives. This evaluation will specifically assess the relevance, coherence, efficiency, effectiveness, sustainability, and potential long-term impact of activities under SF1, SF2, and SF3, as well as the Fund's MTS as a whole.
- The Board will also commission an independent process evaluation, examining the relevance, efficiency, effectiveness, and sustainability of the Fund's institutional arrangements, strategic priorities, policies, and processes.
- The two evaluations will be finalized in time to inform the Fund's MTS for the 2023-2027 period.

When the Board approved the implementation plan for the MTS in March 2018,<sup>23</sup> it decided to request the evaluation function *“to undertake an MTR of the MTS and its implementation plan and present its report to the Board at its thirty-sixth meeting”* (decision B.31/32). The Implementation Plan itself (Section 6) says that *“the MTS has been composed with its lifetime of five years in mind, so that revising it during that time will not be necessary, unless external circumstances in which the Fund operate, change radically. The implementation of the MTS would be evaluated after the mid-term in 2020-2021, and after it ends in 2023. The mid-term evaluation is planned to be useful in informing the possible subsequent MTS (which could span years 2023-2027). Such evaluations would be carried out by the Evaluation Function of the Fund.”*

The AF-TERG Strategy and Work Programme, approved in June 2020 by the Board, indicates that the MTR will be prepared in FY21.<sup>24</sup> The review will be presented at the 28th meeting of the EFC (March 2021). As will be explained with more details below, the MTR is the first step in the process to conduct the evaluation of the MTS, to be carried out in FY23 after completion of the five-year strategy period and an Overall Evaluation of the Fund planned for FY23. During FY22, preparatory work will be commissioned to conduct these two evaluations. Studies and evaluations on issues and themes identified during the AF-TERG consultations will be conducted that will complement the MTR, as well the final evaluation of the MTS and the Overall Evaluation of the Fund.

The MTR is conducted, and its recommendations will be developed, under the premise that the Fund is an institution that considers and promotes **adaptive management** as a good practice. Therefore, the MTR's findings and recommendations will be seriously considered and followed up by the relevant parts of the Fund. MTRs are important tools for the Board, management, country, and regional and multilateral entities partnering with the Fund to reflect and oversee the implementation of the strategy and discuss potential mid-course correction to respond more closely to the new realities and capacities of organizations that

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23. AFB/B.31/5/Rev.1 (March 2018)

24. AFB/EFC.26.a-26.b/3 (May 2020).

may have changed since the initial preparation and approval of the strategy. MTRs can provide improvement-focused external advice and comments.

Following the AF-TERG principles of work (see below), the MTR will be conducted ensuring broad participation from across all the Fund stakeholders in the design of the MTR and in the development of recommendations and next steps. This **participatory approach** will promote co-generation of knowledge and co-management of the process, maintaining the independence of the exercise. In this way, the MTR should provide opportunities for the stakeholders and the AF-TERG to learn from how the MTS has been implemented so far.

## 2. Goal, purpose, and process of the MTR

### 2.1. Goal

The goal of the assignment is twofold.

First, the consultant will conduct research on contemporary and relevant thinking, and good and emerging practices<sup>25</sup> and experiences on the following three topics:

- **Use and evaluation of strategies** to guide and enable decision-making at governance, management, and operations levels (and recipients) from relevant development-oriented organizations, and in particular, those providing climate financing.
- Given the current COVID-19 situation, the consultant will also explore how other similar shocks and stresses, such as Ebola or HIV, have impacted the preparation and implementation of organizational strategies.
- **Evaluation of key aspects and concepts of the Fund** such as innovation, learning, adaptation measures with impact on the ground and simplified access processes.

The experience and lessons on these three topics will be used to develop the framework that will guide the MTR.

The second element of this assignment is to conduct the review of the MTS with support from AF-TERG members and secretariat.

### 2.2. Purpose

The purpose of the review is to assess how well the MTS is guiding the Fund overall. In particular, the Fund's responsiveness to the UNFCCC CMP/CMA<sup>26</sup> guidance and country and climate adaptation needs and guiding the Fund's governance, management, and operations. The MTR will question if the MTS strategy is fit-for-purpose in the context of the Fund's mandate and for the era the world and climate financing are in today and for the future. The MTR will also track the implementation of the MTS to date, identifying

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25. Talking about best practice inhibits change and innovation, and focuses on a process that is comfortable. What would there be to improve if it is "best practice?" There also isn't one single best way of doing things, given it would mean that context doesn't matter. Terms like good, effective, or better practice show more humility and less overgeneralization. Next practice points towards the good (or better) practice of what is to come, given the past is a poor playbook for the future. Next practice focuses on adopting good practice from unrelated sectors or industries, from unusual suspects who bring fresh and different perspectives. Next practice is to be found in the grey areas between the silos we inhabit.

26. CMP: Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol; CMA: Conference of the Parties serving as the meeting of the Parties to the Paris Agreement.

progress and recommending to the Board possible course correction and suggestions to be incorporated into the development of the next MTS.

The MTR responds to both the **learning** and accountability functions of the Fund's evaluation. Given the early state of the MTS implementation, the MTR will emphasize learning from its implementation so far and will bring learning from outside the Fund, particularly with regards to good (and successful) / next practices on strategies relevant to the Fund. The MTR will promote, emphasize, and prioritize its use by different stakeholders, both to support the second half of the MTS implementation and for preparation of future strategies.

### 2.3. Process: Two phases

The MTR will be conducted in two phases. The first phase will bring to the Fund good/ next practices, lessons, and experiences on use and evaluation of strategies, and based on these, as well as extensive consultations, conduct the MTR on a second phase.

The MTR will be conducted considering the following elements:

- The MTR will be a first step and key input to the evaluation of the MTS (to be conducted at the end of its term, 2022) and the Overall Evaluation of the Fund, also to be conducted in 2023 focusing on examining the relevance, efficiency, effectiveness, and sustainability of the Fund's institutional arrangements, strategic priorities, policies, and processes. These two evaluations will be finalized in time to inform the Fund's MTS for the 2023-2027 period.
- Alignment and coordination with the rest of the AF-TERG work programme. The work programme includes, during FY21, the commissioning of studies and thematic evaluations that should inform all evaluations.
- Takes into account the monitoring and evaluation activities and knowledge, performance, and learning products generated by the Fund secretariat, the IEs and the UNFCCC COP/CMP/CMA processes, at different levels (e.g. PPRs, Fund Annual Performance Report, etc.) and including key AF-TERG documents such as guiding principles [see below].

The AF-TERG is the commissioner and final producer of the review. It will monitor its implementation, provide guidance, and comment on and sign off on key deliverables at determined points of the process. The consultant will work as part of a team comprised by AF-TERG members and secretariat. One member will be technical focal point. This person will be the AF-TERG lead person for monitoring and guiding the project during its execution in collaboration with the AF-TERG secretariat coordinator.

The MTR will be conducted following consultative and participatory approaches, according to the AF-TERG principles of co-learning and co-creation of evaluations. All key stakeholders will be requested to participate and provide feedback and views throughout the MTR. One particular way that the AF-TERG proposes to ensure direct participation, consultation, and feedback into the MTR is to establish an MTR Working Group (WG) with five-six members from key stakeholder groups: (i) the Ethics and Finance Committee (EFC)

of the Adaptation Fund Board, (ii) Project and Planning Review Committee (PPRC); (iii) the Fund secretariat; (iv) the AF-TERG; (v) a representative of the NIEs group; and (vi) external experts on the development and practices of strategies. These members will bring to the process not only their personal/institutional views and experiences but also are expected to consult with other members of their constituencies (e.g. other Board members, other NIEs, etc.). The WG will provide a space where different opinions, experiences, and lessons are discussed and feed into the review. The Chair of the AF-TERG or the AF-TERG member designated as technical focal point will chair the WG meetings and ensure that necessary meetings are convened on a regular basis. The AF-TERG Secretariat Coordinator will coordinate the process and participate in meetings. The precise number and timing of the meetings will be defined during the inception phase, however, at a minimum, the WG is expected to hold three meetings, the precise number and timing to be defined during the inception phase. The senior consultant will be a resource person and support the AF-TERG member and AF-TERG Secretariat Coordinator in the implementation of these meetings.

The WG shall support and guide the work of the consultant and make sure that the framework to conduct the MTR and the actual MTR are in line with expectations and correspond to the needs of the Fund and its key stakeholders. The selected consultant will take the advice of the WG into account in the pursuit of the assignment while at the same time retaining his/her independence of judgement.

The WG is just one way of conducting proactive consultations. In fact, the MTR process will promote extensive consultations with Fund stakeholders on their interest and needs regarding the Fund and the MTS, and their experiences with the development, implementation, and future of the MTS.

As needed, he/she may request support from the AF-TERG Secretariat data analyst for support in carrying out the assignment. AF-TERG members who are not part of the WG will provide their contributions through periodic reviews of the process and key deliverables. The AF-TERG as a whole retains the responsibility to sign off key deliverables.

The consultant will report to the AF-TERG Secretariat Coordinator. The AF-TERG Secretariat Coordinator shall manage the contracting process and the contract, will coordinate the project and ensure adequate support for the process through the AF-TERG Secretariat. The AF-TERG Secretariat Coordinator shall also ensure that necessary meetings with the Project Working Group are convened and participate in the Project Working Group described above. The AF-TERG Secretariat Coordinator will be responsible for making sure that the project is moving forward and for providing institutional guidance as needed.

The Fund secretariat will prepare a management response to the MTR that takes into account, as necessary, views expressed by stakeholders and that will be shared with the Board together with the MTR.



### 3. Audience and disclosure

There are three crucial and linked cascading audiences for the MTR.

- The Board: given the Board's mandate in setting the strategic direction for the Fund by approving and monitoring the MTS and using it to oversee the performance of the Fund, it is the key audience of the review. The Board will consider the MTR's findings and recommendations to decide on changes (if any) for the second half of the MTS implementation, as well as for the preparation of the new MTS.
- The Fund secretariat is also a critical and essential audience as the key implementers of the MTS to guide management choices of the work of the Fund and since they will implement the Board decisions emanating from the MTR.
- The IEs, as well as representatives from governments and CSOs/PSOs, will be affected by any Board decisions with regards to the MTS so they should also be considered as part of the crucial audience.

The MTR will specify who are the key target groups responsible for each recommendation. The Board, Fund secretariat, IEs, representatives from government and CSOs/PSOs will be asked to actively participate (see below) in the implementation of the MTR.

The draft MTR and the draft management response will be distributed as an EFC document by the AF-TERG and Fund secretariat, respectively. The Board decision and the final versions of the MTR and management response will be made public as per the standard practice for AF Board documents.

### 4. Task, expected deliverables, and methodology

#### Phase 1. MTR readiness/inception work

This phase will be short (four-five weeks). The key output will be a synthesis of key issues, experiences, and lessons relevant to reviewing the MTS (see below). This information will be used to develop the framework, in the second phase, that will guide the MTR. In addition, this first phase will also include an initial consultative process with key stakeholders to gather initial thoughts and expectations on what should be included in the MTR, particularly from the Board, Fund secretariat and IEs.

The key areas and questions that the consultant will research and explore include the following:

- 1) **Strategies as guiding tools for management and governance of organizations (experiences from outside the Fund).** What are the relevant leading experiences and current thinking on: (i) the framing and effective use of strategy to guide management, governance, and funding of relevant development-oriented organizations; and (ii) the evaluation of strategies to guide management, governance, and financing effectively? What does real use of strategy look like in dynamically managing and governing an organization? How are strategies used effectively in governance and management-planning, monitoring, learning, reporting, allocating funds, engaging, and empowering stakeholders? What incentives drive the use of strategy? How is COVID-19 affecting

the implementation of strategies (real time)? What are the lessons from how Ebola and HIV affected the implementation of strategies in the past? The research responding to these questions will provide a frame on how to review the MTS, its “fit-for-purpose” (e.g. relevance for the time, background context of what strategy should or could do for the AF) and how strategy thinking is changing in different sectors and industries. [7 days]

2) **Evaluating key Fund concepts that are elements of the MTS.** What are the current practices on evaluating key concepts of the Fund, such as innovation, adaptation, adaptive management, sustainability, human and natural systems nexus to climate change adaptation (CCA), etc? What are relevant evaluations that have been completed recently or underway? [3 days]

3) **Conducting MTRs.** Any experiences and good/next practices on conducting mid-term evaluations and mid-term reviews of strategies? How should the MTR be forward looking and promote the use of participatory evaluation approaches? Any experiences on conducting MTRs under crisis situations (e.g. pandemic such as COVID-19, Ebola, HIV, etc.) [2 days]

4) **Evaluative evidence on the Fund and its operations.** What is the current evaluative evidence about the Fund and its operations, from within and outside the Fund? [3 days]

The consultant will conduct semi-structured interviews with key stakeholders, such as Board members, Fund secretariat staff, other AF-TERG members and representatives of the IEs and CSOs/PSOs network and possibly use social media for gathering inputs. For this first phase, the consultant will document the key needs and expectations from these groups regarding the MTR.

The consultant will facilitate two meetings of successful practitioners on relevant subjects to brainstorm and discuss the recent relevant experiences and thinking on (i) the evolution of the field of strategy and the use of strategy to guide management and governance; and (ii) evaluating key Fund concepts that are part of the MTS (see above). The participants should represent both the human and natural systems context of the Fund. The AF-TERG secretariat will coordinate and the AF-TERG member focal point will support these meetings. The consultant and the AF-TERG may decide to convene other groups on other subjects if necessary.

The consultant is encouraged to use techniques, such as rapid evidence assessment (REA),<sup>27</sup> to conduct the research on the key areas highlighted above.

The key tasks in this first phase include:

- Conduct Light REA on four key areas described above.
- Convene two expert groups (2 hours each, 5-7 people), one on strategy practices and another on evaluation practices of the technical elements of the MTS, following the key questions presented in items (1) and (2) above.
- Conduct interviews with up to 10 people (Board, Fund secretariat staff and IEs).

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27. The rapid evidence assessment can be completed usually in less than one week. Please see the following references: <https://cebma.org/faq/what-is-an-rea/> and <https://www.gov.uk/government/collections/rapid-evidence-assessments>; <https://guides.temple.edu/c.php?g=78618&p=4156608>.

- Prepare a synthesis(es) of the findings to support the development of the MTR framework.
- Actively interact and receive feedback and support from the AF-TERG.

## Phase 2. The MTR

The MTR will be conducted in about four months, with the MTR presented at the March 2021 Board meeting. The review will:

- assess the extent to which the MTS is fit for purpose for the Fund mandate, context and era of the world, the urgency of the climate crisis and the evolving climate finance landscape
- assess the extent to which the Board and the secretariat use the MTS to guide decisions and choices about the work and resource allocation of the Fund, in particular, responsiveness to the UNFCCC COP guidance, Board decision, and country and climate adaptation needs and the Fund's governance, management, and operations
- assess the extent to which the MTS is the right strategy
- track the implementation of the MTS, so far, identifying progress and recommend to the Board possible course correction and suggestions to be incorporated into the development of the next MTS.

The key areas to be explored (more could be identified in the process of the first phase) will include:

- **Results and use of the MTS so far.** What has been the role of the MTS in shaping and filtering the Fund actions, portfolio, and results? How is the strategy used for decision-making, shaping portfolio choices, and investments? How has the MTS been operationalized so far? What has been the progress in achieving the MTS? (a review of the key indicators and their targets) [12 days]
- **Positioning of the Fund** in the world and within the CCA financing landscaping. Does the MTS help position the Fund by helping it to play to its comparative advantages and niche? [2 days]
- **Responsiveness to stakeholders.** How was the MTS developed? What are the needs of stakeholders that the MTS should account for in its structure, focus, and implementation? Are they present? How is the current situation of COVID-19 and discussions/negotiations on CCA affecting the current MTS, missions, funding, structures, or organizations (especially those focused on reaching the most vulnerable)? How responsive is the MTS to the guidelines provided by the CMP/CMA? What are the external drivers that have shaped (and will shape) the choices the Fund has made? [12 days]
- **Alignment with the Fund's mandate.** What is the alignment of the MTS with the Fund's mandate, UNFCCC COP guidance, Board decisions, other relevant international agreements and supporting countries achieving their SDGs? [7 days]

- **Quality of the MTS.** What is the quality of the MTS (e.g. does it have the key elements required in a strategy, such as: positioning of the Fund, setting priorities, making choices, managing risk, perspective, internal coherence, linkages, and support to learning and adaptive management, execution, efficiency, etc.)? One particular aspect to be assessed is the quality from the point of evaluability: does the MTS have the elements necessary to be evaluated and credibly report and assess its achievements and shortcomings? [5 days]
- Follow-up to the Overall Evaluation of the Fund. [2 days]
- MTS going forward. [10 days]
  - o **Impacts of current context.** Is the MTS prepared for the new “normal” (e.g. COVID-19 pandemic and post recovery) and current discussions and negotiations on CCA financing? What are the implications of COVID-19 for the future MTS?
  - o **Preparing the new MTS.** What lessons should be incorporated in future processes for developing the new MTS? What issues should be considered in the development of the new MTS?

The key tasks to be conducted in the second phase will be:

- Prepare framework and inception report/evaluation matrix and methodologies according to the key areas and questions presented above.
- Actively participate, as resource person, and support the WG implementation.
- Conduct interviews with up to 20 people (Fund secretariat, Board, IEs, CSOs, funding partners, etc.).
- Survey of IEs: feedback on MTS (e.g. lessons, achievements, shortcomings, etc.), and expectations for completing it and for new MTS).
- Document review/desk review (e.g. UNFCCC COP/CMP/CMA guidance and Board decisions, secretariat documents to monitor, report and implement the MTS, KM, etc.).
- Fund portfolio: relevance to the MTS and to CCA, Fund portfolio, lessons from completed Fund projects relevant to the MTS (innovation, scale-up, concrete actions), actual and expected results.
- Deep dives: select three countries, three NIEs, one MIE, and one RIE.
- Reporting, consultation, synthesis, and actively interacting with the AF-TERG.
- Two versions of the MTR: draft and final MTR.

## 5. Timetable and deliverables

	Role	Responsibilities
REol advertised	RoEI	18 August 2020
Selection of consultant	Consultant is selected	20 September 2020
Phase 1	Research and consultation Framework for MTR and short synthesis reports	Sept – October 30 Oct 2020
Phase 2	Data collection Socialization of draft MTR with Fund stakeholders Draft MTR Factual review by Fund secretariat MTR	October – December Early January 2021 Mid-January 2021 Late January 2021 February 2021
MTR presentation to Board	MTR to Board	March 2021
Phase 3	MTR Consultation and development of recommendations	April-May 2021



## ANNEX 3: References

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EPA		Evaluation of the National Water Program Climate Change Adaptation Strategy	Evaluation Protection Agency	2013
	Martin, Roger	The Big Lie of Strategic Planning		2014
ADB		Mid-Term Review of Strategy 2020: Meeting the Challenges of a Transforming Asia and Pacific		2014
ADB		Mid-Term Review of Strategy 2020 Action Plan		2014
GEF		Investment Strategy Review of the GEF Trust Fund		2015
ICRC		Mid-Term Review of Strategy 2020		2015
GGGI		Mid-Term Strategic Review of GGGI Strategic Plan 2015-2020		2016
UN-Habitat		Mid-Term Evaluation of the Implementation of UN-Habitat's Strategic Plan 2014-2019		2017
UNEP		Mid-Term Evaluation of UN Environment ILO UNDP UNIDO UNITAR		2017
ODS		Mid-Term Review of Transparency International's Movement Strategy 2020		2018
The Global Fund		The Global Fund Strategy (2017-2022)		2018
EC		Evaluation of the EU Strategy on adaptation to climate change		2018
IRENA		Medium-term Strategy 2018-2022		2018
Blog		Evaluating Mintzberg's 10 schools of thoughts for strategy formulation		2019
GCF- IEU		Complexity, climate change and evaluation IEU Working Paper		2019
Universalia		MENA MDTF 2018 Mid-Term Review		2019
GCF		Forward-looking Performance Review of the Green Climate Fund		2019
EEA		The European environment state and outlook 2020		2019
GCF		Independent Assessment of the GCF Simplified Approval Process (SAP) Pilot Scheme		2020
WFP		Synthesis of evidence and lessons from WFP's policy evaluations (2011-2019)		2020
WFP		Strategic Evaluation of Funding WFP's Work		2020
UNICEF		Mid-Term Review Strategic Plan 2018-2021 Synthesis of Preliminary Findings		2020
IEG		Mid-Term Review of the World Bank Group's Gender Strategy 2016-2023		2020
WFP		Mid-Term Review of the Strategic Plan (2017-2021)		2020





## **ANNEX 4:** **Board documents and corresponding Board decisions**

### **35th AFB Meeting (35.b) – Second session**

*AFB/B.35.b/5 Options for Criteria for the Provision of Financial Resources between Single-country and Regional Concrete Adaptation Projects and Programmes*

*AFB/B.35.b/6 Update on Strategic Discussion on Objectives and Further Steps of the Fund: Potential Linkages between the Fund and the Green Climate Fund*

*AFB/EFC.26.b/3 Annual Performance Report for Fiscal Year 2020*

*AFB/EFC.26.b/4 Report on the Adaptation Fund's response to the COVID-19 pandemic and adaptive measures to mitigate impact on the Fund's Portfolio*

*AFB/EFC.26.b/5 Adaptation Fund Trust Fund: Financial Report prepared by the Trustee (As at 30 June 2020)*

*AFB/EFC.26.b/6 Reconciliation of the Administrative budgets of the Board and the Secretariat, the Evaluation Function, and the Trustee for Fiscal Year 2020*

*AFB/PPRC.26.b/14 Report of the secretariat on initial screening and technical review of innovation small grant proposals*

*AFB/PPRC.26.b/15 Proposal for Innovation Small Grant for Antigua and Barbuda*

*AFB/PPRC.26.b/15/Add.1 Proposal for Innovation Small Grant for Antigua and Barbuda*

*AFB/PPRC.26.b/16 Large grants for innovation*

*AFB/PPRC.26.b/17 Options for further defining innovation in adaptation*

*AFB/PPRC.26.b/18 Window for Enhanced Direct Access under the MTS*

### **35th.a/35th.b Intersessional**

*AFB/B.35.a-35.b/.2 Legal Agreement Template for Small Innovation Grant*

*AFB/EFC.26.a-26.b/1/Rev.1 Administrative Budgets of the Board and Secretariat, and Trustee for Fiscal Year 2021 and the AF-TERG and its Secretariat for Fiscal Years 2021-2022*

*AFB/EFC.26.a-26.b/2. Rev.1 Work Plan for Fiscal Year 2021*

*AFB/PPRC.26.a-26.b/46 Report of the Secretariat on Initial Screening/Technical Review of Innovation Small Grant Proposals*

*AFB/PPRC.26.a-26.b/47 Proposal for Innovation Small Grant for Antigua and Barbuda*

*AFB/PPRC.26.a-26.b/48 Proposal for Innovation Small Grant for Dominican Republic*

*AFB/PPRC.26.a-26.b/49 Proposal for Innovation Small Grant for Uganda*

*AFB/PPRC.26.a-26.b/50 Report of the Secretariat on Initial Screening/Technical Review of Learning Grant Proposals*

AFB/PPRC.26.a-26.b/51 *Proposal for Learning Grant for Senegal*

Decision B.35.a-35.b/27

Decision B.35.a-35.b/28

Decision B.35.a-35.b/3

Decision B.35.a-35.b/71

Decision B.35.a-35.b/72

Decision B.35.a-35.b/73

Decision B.35.a-35.b/74

### **35th AFB Meeting (35.a) - First session**

AFB/B.35.a/3 *Report of First Session of the thirty-fifth meeting of AFB*

### **34th/35th Intersessional**

AFB/B.34-35/10 *Legal Agreement Template for MIE Aggregator Programme*

AFB/B.34-35/11 *Guidance Document to Complete Project Performance Report for Projects Funded by the Adaptation Fund*

Decision B.34-35/20

Decision B.34-35/22

### **34th AFB meeting**

AFB/B.34/.7 *Options for Criteria for the Provision of Financial Resources between Single-country and Regional Concrete Adaptation Projects and Programmes*

AFB/B.34/.8 *Potential linkages between the Fund and the GCF*

AFB/B.34/.9 *Matters Related to the Mandate Contained in Paragraph 6 of Decision 1/CMP4: The Board's Consideration and Recommendations on the Tasks Mandated by Decision 1/CMP.14 to be Included in the Addendum to its Report to CMP15*

AFB/B.34/.9/Add.6 *Board's Recommendations for actions to be taken by the CMP to be included in the Addendum to the Board's Report to CMP at its fifteenth session*

AFB/B.34/19 *Decisions of the Thirty-fourth Meeting of the Adaptation Fund Board*

AFB/B.34/inf.7 *Decisions of CMP14 and CMA1 related to the Adaptation Fund and the relevant matters to be considered by the Adaptation Fund Board*

AFB/B.34/Inf.8 *Matters Related to the Mandate contained in paragraph 6 of Decision 1/CMP.14*

AFB/B.34/Inf.11 *Strategic Priorities, Policies, and Guidelines of the Adaptation Fund adopted by the CMP (Annex I to the OPG)*

AFB/B.34/20 *Report of the Thirty-fourth Meeting of AFB (7-11 October 2019)*

AFB/EFC.25/3/Rev.1 *Annual Performance Report for Fiscal Year 2019*

AFB/EFC.25/4 *Update of the Project/Programme Performance Report and Results Tracker Guidance*

AFB/EFC.25/4/Rev.1 *Update of the Project/Programme Performance Report and Results Tracker Guidance*

AFB/EFC.25/8 *Reconciliation of the Administrative Budgets of the Board and the Secretariat, the Evaluation Function, and the Trustee for Fiscal Year 2019*

AFB/PPRC.25/33 *Report of the secretariat on initial screening/technical review of innovation multilateral implementing entity aggregator programme proposals*

AFB/PPRC.25/34 *Options for the launch of the large grants for innovation*

AFB/PPRC.25/35 *Proposal for Multilateral Implementing Entity Aggregator (1)*

AFB/PPRC.25/36 *Proposal for Multilateral Implementing Entity Aggregator (2)*

AFB/PPRC.25/37/Rev.1 *Report of the secretariat on initial screening/technical review of innovation small grant proposals*

AFB/PPRC.25/38 *Proposal for Innovation Small Grant for Armenia*

AFB/PPRC.25/39 *Proposal for Innovation Small Grant for Chile*

AFB/PPRC.25/40 *Proposal for Innovation Small Grant for the United Republic of Tanzania*

AFB/PPRC.25/41 *Report of the secretariat on initial screening/ technical review of project scale-up grant proposals*

AFB/PPRC.25/42 *Proposal for Project Scale-Up Grant for Rwanda*

AFB/PPRC.25/43 *Proposal for Project Scale-Up Grant for Senegal*

AFB/PPRC.25/44 *Report of the secretariat on initial screening/technical review of learning grant proposals*

AFB/PPRC.25/45 *Proposal for Learning Grant for Senegal*

AFB/PPRC.25/46 *Window for enhanced direct access under the Medium-term strategy*

Decision B.34/33

Decision B.34/34

Decision B.34/33

Decision B.34/34

Decision B.34/35

Decision B.34/36

Decision B.34/37

Decision B.34/39

Decision B.34/40

Decision B.34/41  
Decision B.34/42  
Decision B.34/43  
Decision B.34/44  
Decision B.34/47  
Decision B.34/49

### **Additional meeting (33.b)**

*AFB/B.33.b/3 Matters Related to the Mandate Contained in Paragraph 6 of Decision 1/CMP.14*  
*AFB/B.33.b/3/Add.2 Strategic priorities, policies, and guidelines of the Adaptation Fund adopted by the CMP (Annex I to the OPG)*  
*AFB/B.33.b/Inf.1 Decisions of CMP14 and CMA1 related to the Adaptation Fund and the relevant matters to be considered by the Adaptation Fund Board (Document AFB/B.33/11)*  
*AFB.33.b/5 Report of the additional meeting of AFB (28-29 June 2019)*  
Decision B.33.b/1  
Decision B.33.b/3

### **33rd/34th Intersessional**

*AFB/B.33-34/8 Arrangements for monitoring and reporting criteria for learning grants*  
*AFB/B.33-34/9 Arrangements for monitoring and reporting criteria for project scale-up grants*  
Decision B.33-34/11  
Decision B.33-34/12  
33rd AFB Meeting  
*AFB/B.33/5 Arrangements for monitoring and reporting criteria for learning grants*  
*AFB/B.33/6 Arrangements for Monitoring and Reporting Criteria for Project Scale-up Grants*  
*AFB/B.33/8 Options for Criteria for the Provision of Financial Resources between Single-country and Regional Concrete Adaptation Projects and Programmes*  
*AFB/B.33/9 Strategic Discussion on Objectives and Further Steps of the Fund: Potential Linkages between the Fund and the Green Climate Fund*  
*AFB/B.33/11 Decisions of CMP14 and CMA1 related to the Adaptation Fund Relevant Matters to be Considered by the Adaptation Fund Board*  
*AFB/B.33/14 Decisions of the Thirty-third Meeting of the Adaptation Fund Board*  
*AFB/B.33/15 Report of the Thirty-third meeting of AFB (14-15 March 2019)*  
*AFB/EFC.24/4/Rev.1 Review of the Strategic Results Framework and the Adaptation Fund-Level Effectiveness and Efficiency Results Framework*

*AFB/EFC.24/6 Adaptation Fund Trust Fund: Financial Report Prepared by the Trustee (as at 31 December 2018)*

*AFB/EFC.24/7 Work Plan for Fiscal Year 2020*

*AFB/EFC.24/8 Administrative Budgets of the Board and Secretariat, and Trustee for Fiscal Year 2020*

*AFB/PPRC.24/.3 Window for Enhanced Direct Access under the Medium-Term Strategy*

*AFB/PPRC.24/.4 Programme on Innovation: Guidance to Multilateral Implementing Entity Aggregators*

*AFB/PPRC.24/41 Report of the Secretariat on Initial Screening/Technical Review of Innovation Small Grant Proposals*

*AFB/PPRC.24/42 Proposal for Innovation Small Grant for Armenia*

*AFB/PPRC.24/43 Proposal for Innovation Small Grant for Dominican Republic*

*AFB/PPRC.24/44 Report of the secretariat on the initial screening/technical review of project scale-up grant proposal*

*AFB/PPRC.24/45 Proposal for Project Scale-up Grant for Senegal*

*AFB/PPRC.24/46 Report of the secretariat on initial screening/technical review of learning grant proposal*

*AFB/PPRC.24/47 Proposal for learning grant for Senegal*

Decision B.33/46

Decision B.33/49

Decision B.33/50

Decision B.33/51

Decision B.33/52

### **32nd AFB Meeting**

*AFB/B.32/5 Analysis on fast-track accreditation process of entities accredited with the Green Climate Fund*

*AFB/B.32/6 Potential linkages between the Fund and the Green Climate Fund*

*AFB/B.32/9 New Funding Window for National Implementing Entities to Access Learning Grants*

*AFB/B.32/10 Project review criteria and application form for project scale-up grants*

*AFB/B.32/11 Decisions of the Thirty-second Meeting of the Adaptation Fund Board*

*AFB/B.32/12 Report of the thirty-second meeting of the Adaptation Fund Board*

*AFB/EFC.23/3 Annual Performance Report for the Fiscal Year 2018*

*AFB/EFC.23/5 Adaptation Fund Trust Fund: Financial Report Prepared by the Trustee (as at 30 June 2018)*

*AFB/EFC.23/6 Reconciliation of the Administrative Budgets of the Board and the Secretariat, and the Trustee*

*AFB/PPRC.23/4/Rev.2 Programme on Innovation: Small Grants Projects through Direct Access Modality*

*AFB/PPRC.23/5 Programme on Innovation: Selection of the Multilateral Implementing Entity to Administer Small Grants Projects*

Decision B.32/1

Decision B.32/4

Decision B.32/5

Decision B.32/35

Decision B.32/38

Decision B.32/39

Decision B.32/41

### **31st AFB Meeting**

*AFB/B.31/5/Rev.1 Implementation Plan for Medium-Term Strategy*

*AFB/B.31/6 Potential linkages between AF and GCF*

*AFB/B.31/7 Decisions of the Thirty-first Meeting of the Adaptation Fund Board*

*AFB/B.31/Inf.6 Decisions of COP23, CMP13 and CMA1 Related to the Adaptation Fund*

*AFB/B.31/Inf.7 Comparative advantages of the Adaptation Fund*

*AFB/B.31/8 Report of the Thirty-first meeting of AFB (20-23 March 2018)*

*AFB/EFC.22/6 Adaptation Fund Trust Fund: Financial Report Prepared by the Trustee (As at 31 December 2017)*

*AFB/EFC.22/7 Work Plan for Fiscal Year 2019*

*AFB/EFC.22/8/Rev.1 Administrative Budget of the Board and Secretariat, and Trustee for Fiscal Year 2019*

Decision B.31/28

Decision B.31/29

Decision B.31/32

### **30th AFB Meeting**

*AFB/B.30/5/Rev.1 Draft Medium-Term Strategy*

*AFB/B.30/7 Amendment to the Fund Operational Policies and Guidelines*

*AFB/B.30/8 Readiness Program Results Framework – Amended in October 2017*

*AFB/B.30/11 Decisions of the Thirtieth Meeting of the Adaptation Fund Board*

AFB/B.30/12 *Report of the Thirtieth Meeting of AFB (10-13 October 2017)*  
AFB/EFC.21/3/Rev.1 *Annual Performance Report for the Fiscal Year 2017*  
AFB/EFC.21/5 *New Annex to the OPG related to project implementation*  
AFB/EFC.21/8 *Adaptation Fund Trust Fund: Financial Report Prepared by the Trustee (As at 30 June 2017)*  
AFB/EFC.21/9 *Reconciliation of the Administrative Budgets of the Board and the Secretariat, and the Trustee*  
Decision B.30/37  
Decision B.30/39  
Decision B.30/42  
Decision B.30/44  
Decision B.30/45

### **29th AFB Meeting**

AFB/B.29/5 *Elements Including Options for a Medium-Term Strategy*  
AFB/B.29/6 *Strategic Discussion on Objectives and Further Steps of the Fund: Potential Linkages Between the Fund and the Green Climate Fund*  
AFB/B.29/Inf.8 *Related Decisions of COP22, CMA1 and CMP12*  
AFB/B.29/9 *Report of the Twenty-ninth Meeting of AFB (14-17 March 2017)*  
AFB/EFC.20/6 *Adaptation Fund Trust Fund: Financial Report prepared by the Trustee (as at 31 December 2016)*  
AFB/EFC.20/7 *Work Plan for Fiscal Year 2018*  
AFB/EFC.20/8 *Administrative budget of the Board and secretariat, and the trustee for the fiscal year 2018*  
Decision B.29/36  
Decision B.29/37  
Decision B.29/39  
Decision B.29/40

### **28th AFB Meeting**

AFB/B.28/6 *Strategic discussion on objectives and further steps of the Fund: Potential linkages between the Fund and the Green Climate Fund*  
AFB/B.28/7 *Options for a medium-term strategy*  
AFB/B.28/9 *Report of the Twenty-eighth Meeting of AFB (6-7 October 2016)*  
AFB/EFC.19/3 *Annual performance report for the fiscal year 2016*

AFB/EFC.19/11 *AF Trustee Financial Report*

AFB/EFC.19/12/Rev.2 *Reconciliation of the administrative budgets of the Board and the secretariat, and the Trustee*

Decision B.28/34

Decision B.28/45

Decision B.28/46

## **27th AFB Meeting**

AFB/B.27/6 *Strategic discussion on objectives and further steps of the Fund: Potential linkages between the Fund and the Green Climate Fund*

AFB/B.27/8 *Analysis for the possible modification of the country cap*

AFB/B.27/9.Rev2 *Report of the Twenty-seventh Meeting of AFB (15-18 March 2016)*

AFB/EFC.18/8 *Work plan for the fiscal year 2017*

AFB/EFC.18/9 *Board and Secretariat and Trustee Administrative Budget for FY17*

Decision B.27/33

Decision B.27/34

Decision B.27/37

Decision B.27/39





## ANNEX 5: Data collection protocols

### Proposed list of interviewees

- Adaptation Fund Board secretariat staff (Sec staff)
- Ethics and Finance Committee Chairs (EFC)
- Board Chairs
- Representatives from other climate financing organizations (Climate orgs)
- National Implementing Entities (NIE)
- Regional and Multilateral Implementing Entities (RIE/MIE)
- Key funders (funders)

### Indicative interview questions

Interview questions	Criteria	Sec staff	Board Chairs	EFC	NIE	RIE/MIE	Climate orgs	Funders
What is the purpose of the MTS?	Utility	✓	✓	✓				
What was the MTS designed to do?	Utility	✓	✓	✓				
How is the MTS used to make choices?	Utility	✓	✓	✓				
What should it have done up to this point?	Programmatic effectiveness	✓	✓	✓				
What actually happened? (How did the Fund's work look different before/after the strategy)	Programmatic effectiveness	✓	✓	✓				
Why were there differences (What was expected/what happened)?	Programmatic effectiveness	✓	✓	✓				
What worked well and why?	Programmatic effectiveness	✓	✓	✓				
What needs to be done differently going forward considering the current global situation?	Flexibility	✓	✓	✓	✓	✓	✓	
How do you think your work with the Adaptation Fund will change as a result of COVID-19? How should it change?	Flexibility	✓	✓	✓	✓	✓	✓	
What has the Fund enabled you to do that you would not have been able to otherwise?	Programmatic effectiveness/ Coherence				✓	✓		
What has been your experience with the approvals process? Has it encouraged you to consider criteria/take risk/pursue areas that you wouldn't have otherwise?	Programmatic effectiveness				✓	✓		
Has your work with the Fund affected how and the extent that you are able to work with the most vulnerable communities and social groups?	Programmatic effectiveness				✓	✓		
Can you think of examples where the Adaptation Fund took risks in funding certain projects? How has that risk paid off?	Programmatic effectiveness	✓	✓	✓				
What are the areas where the Adaptation Fund's comparative advantage within the context of climate financing organizations is most significant?	Coherence						✓	
Has the Adaptation Fund's strategy been sufficiently ambitious in how it has responded to COP guidance? What have been the constraints or accelerators?	Responsiveness		✓		✓	✓	✓	



## Stakeholder sampling framework

Stakeholder group	Survey	Interview Sampling Criteria	Sampling method	Proposed sample	Est # interviews
Secretariat Staff	All	All	N/A	All- combination of 1:1 interviews, group interviews, and webinars	15
Ethics and Finance Committee members	All	Chair and Vice-Chair	N/A	Belgium Tunisia	2
Board members	All	Chair and Vice-Chair	N/A	Benin Sweden	2
Representatives from other climate financing organizations		Multilateral climate funds focused on Adaptation	Selection of climate change funds mentioned in MTS	Green Climate Fund Least Developed Countries Fund	2
Implementing Entities		To ensure there are representatives of: - Entity type (NIE, RIE, MIE) - Regional coverage - Most vulnerable countries (LDCs and SIDS) - Level of engagement with the Fund during the MTS period - Type of engagement: proposed, approved concrete projects, innovation and learning grants, project formulation grants, readiness grants	Africa (2) Asia Pacific (2) Eastern Europe (1) Latin America and the Caribbean (2)  <b>Multilateral</b> UN Agency (1) Multilateral Bank (1) Regional Bank (1)	<b>National</b> NEMC (Tanzania) CSE (Senegal) EPIU (Armenia) Kemitraan (Indonesia) BTEC (Bhutan) IDDI (Dominican Republic) DoE (Antigua & Barbuda)  <b>Regional</b> CAF (Cooperacion Andina de Fomento) OSS (Saharan and Sahel Observatory)  <b>Multilateral</b> UN-Habitat WFP UNDP	Max of 2
Key funders	All	Relevant Board representatives will be questioned about replenishing the Fund			N/A
Strategy experts		Experts from the field of strategy			7
Designated authorities	All	All focal points will be invited to participate in the survey			N/A

### Survey questions

Please follow link here: <https://survey.zohopublic.com/zs/4iCNla>



## ANNEX 6: Responsiveness Q&A

### International treaties (Kyoto Protocol and Paris Agreement):

#### **•What is the sense of urgency in the Kyoto Protocol and the Paris Agreement?**

The Adaptation Fund was initially created under the Kyoto Protocol and now serves the Paris Agreement. The Kyoto Protocol, which commits its Parties by setting internationally binding emission reduction targets, is a rather neutral and technical document. It does not clearly construe the extent of the climate crisis. Conversely, the Paris Agreement aims to achieve temperature stabilization and increase the ability of countries to adapt to climate change, as well as contributions and actions by all Parties. It puts a clear emphasis on the impact of climate change, the urgency of the climate threat, the vulnerabilities of both human and natural systems, and the need to protect, mitigate, and adapt. New concepts such as the respect and promotion of human rights in addressing climate change or climate justice are introduced in the Agreement.

#### **•How aligned is the strategy with the Kyoto Protocol and Paris Agreement?**

The strategy goes well beyond the Kyoto Protocol. The only aspect of the Protocol it seems to align with is in terms of “Capacity building”, and to a certain extent on “Innovation”. Conversely, the strategy aligns very well with the Paris Agreement, since it was drafted with the idea that the Fund might serve the Agreement. All strategic foci and cross-cutting areas of the strategy respond to aspects and articles of the Agreement. The cross-cutting area of “Coherence and Complementarity with other climate finance delivery channels” is the only aspect of the strategy that is not prescribed (or hinted) in the Paris Agreement. It is however a key mandate of the UNFCCC Convention, and as such is reflected in the guidance of the Conference of Parties.

#### **•What are the possibilities set by the treaties?**

The Kyoto Protocol includes a call for countries to implement adaptation measures (Article 10, preamble and (b)), and the basis for the Adaptation Fund as using a share of proceeds under the Clean Development Mechanism (CDM) to finance adaptation (Article 12, para 8). Characteristics of adaptation measures are not specified in the Kyoto Protocol. The Paris Agreement is more imperative and establishes the global goal for adaptation in Article 7. Details of the cooperation and processes to enhance adaptation are provided in the Agreement. Adaptation action should follow “a country-driven, gender-responsive, participatory and fully transparent approach, taking into consideration vulnerable groups, communities and ecosystems, and should be based on and guided by the best available science and, as appropriate, traditional knowledge.”

## Guidance mechanisms:

### **•How does the UNFCCC generate and provide guidance to the Fund?**

The CMP/CMA provides guidance to the Adaptation Fund Board at each CMP/CMA session through decisions. The process is the following: the Board (i) receives guidance from the CMP/CMA; (ii) takes appropriate action in response to the guidance received; (iii) submits an annual report to the CMP/CMA for its consideration with description of the work undertaken by the secretariat and responses to guidance in annexes; and (iv) and receives further guidance from the CMP/CMA after it acknowledges reception and takes note of the content of the annual report.

### **•What are the actions that the Fund takes in response to the guidance?**

Depending on the nature of the guidance, the Fund takes appropriate action and the secretariat provides a response to a specific set of decisions in annexes of their annual report to the UNFCCC. These responses are available since CMP14. The Board also approves the annual report going to the CMP/CMA.

### **•Does the Fund report to the UNFCCC, Kyoto Protocol and Paris Agreement?**

The Fund annually reports on the following: (i) work undertaken during the reporting period; (ii) operational linkages and relations with institutions under the Convention (since CMP14); (iii) support provided to the Board for the implementation of its mandate; and (iv) the Adaptation Fund and the Paris Agreement (since CMP12).

## Content and impact of guidance on the Fund:

### **•What are the most common types and areas of guidance?**

The guidance varies from stronger recommendations to softer mandates. The majority of decisions are about legal or administrative matters, with only a few decisions touching upon the definition of strategic or programmatic matters.

### **•How much does the guidance define what the Fund does e.g. in terms of strategic aspects?**

When establishing the Adaptation Fund, the CMP adopted Strategic Priorities, Policies, and Guidelines (SPPG) upon which the operational policies and guidelines were developed to enable eligible Parties to access resources from the Fund. Several decisions indicated strategic priorities for eligible Parties and for projects and programmes funded under the Adaptation Fund (Decision 1/CMP.3, paragraphs 1 and 2; Decision 5/CMP.2, paragraph 2 (c); Decision 5/CP.7, paragraph 8). Any decision taken by the Fund should align with the Fund's SPPGs. Apart from the definition of these foundational strategic priorities, the CMP has not been strongly involved in strategic matters such as the drafting of the MTS and it does not specify or recommend how the Board should take action. Even when the guidance concerns programmatic or strategic aspects such as the strategy, the content of decisions is broad enough to give leeway to the Fund on how such matters should be implemented, within the mandate defined by the SPPGs and the parameters provided by the CMP.

## UNFCCC and the MTS:

**•Has the guidance shaped the MTS at all? If so, how?**

The guidance of the CMP did not directly shape the strategy. The MTS is only ever mentioned three times in the guidance to (i) take note of the adoption of the strategy (Decision 1/CMP.13) and (ii) take note of the implementation of activities under the MTS (Decision 1/CMP.15). The Board took ownership of the drafting of the MTS and is the custodian of the strategy. The CMP approved the strategy and encouraged its implementation (Decision 1/CMP.13), but it has not provided any further guidance related to the MTS and on how to implement activities under the strategy.

**•How has the MTS incorporated the guidance?**

The CMP/CMA guidance is mostly operational and as such, the sole direct aspects of the guidance incorporated in the MTS are those from the SPPGs. However, the strategy was informed by decisions under the UNFCCC and has integrated some aspects relative to the Conference itself and to international treaties (such as the guidance on coherence and complementarity with other climate finance delivery channels, and the guidance on the strengthening capacity). Moreover, the MTS aligns very well with the Paris Agreement.

**Review/assessment/oversight:**

**•Does the UNFCCC conduct any type of review of the Fund?**

Three reviews of the Adaptation Fund have been conducted so far (the latest was in 2017 and mentioned the MTS with regards to complementarity and coherence with other climate finance delivery channels). Paragraph 60 of the technical paper on the third review mentions that “the Board is also in the process of drafting a medium-term strategy for the Adaptation Fund, which addresses the issue of the future and niche of the Adaptation Fund within the evolving climate finance architecture, among others.”

**•Has the UNFCCC/SCF conducted a review of the guidance?**

The Standing Committee on Finance (SCF) looks at coherence and complementarity under the Convention, but it has not been mandated yet to look at all the guidance to the Adaptation Fund over the years.

**Guidance from other sources:**

**•Does the Fund receive any other guidance from other institutions (e.g. country/regional bodies, IPCC)?**

The Fund does not receive additional guidance from other institutions because only the CMP/CMA and the Board have authority to guide the work of the Fund based on their mandate. The SPPGs specify the type of information influencing the work of the Fund when it comes to developing projects and programmes to be funded under the Adaptation Fund<sup>28</sup>. However, the CMP/CMA did not provide guidance regarding the

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28. Eligible Parties should consider the guidance provided in decision 5/CP.7, paragraph 8, and, where necessary, further information included in reports from the Intergovernmental Panel on Climate Change (IPCC) and information generated under the Nairobi work programme on impacts, vulnerability and adaptation to climate change

specific drafting of the MTS. The strategy was inspired and built around the Sustainable Development Goals (SDGs) and the Paris Agreement, which the Fund aimed to serve at the time of its drafting.

**Ambition of the Fund:**

**•Has the Adaptation Fund's strategy been sufficiently ambitious in how it has responded to CMP guidance?**

The strategy is aligned with what global agreements ask in terms of adaptation action. While an alignment in theory does not always equate to an alignment in practice, it gives an indication of the type of commitment and ambition envisioned for the MTS when it was drafted. The Board took ownership of the strategy and the review should assess the ambition of the Board in guiding the strategy.