



ADAPTATION FUND

AFB/EFC.29/7
28 March 2022

Adaptation Fund Board
Ethics and Finance Committee
Twenty-ninth Meeting
Bonn, Germany (Hybrid meeting), 5-6 April 2022

**FISCAL YEARS 2023 – 2024 UPDATE TO THE WORK
PROGRAMME
OF THE ADAPTATION FUND
TECHNICAL EVALUATION REFERENCE GROUP (AF-TERG)**

Background

1. The Adaptation Fund Board (the Board) endorsed an Evaluation Framework for the Fund at its thirteenth meeting (March 2011 - Decision B.13/20.a). This framework was developed in accordance with international standards in evaluation; it includes evaluation principles and criteria and two overarching objectives. At its fourteenth meeting, the Board requested the secretariat and the Global Environment Facility - Independent Evaluation Office (GEF IEO)¹ to prepare a revised version of the Evaluation Framework, presented to the Board at its fifteenth meeting and approved as per decision B.14/23.

2. At its fifteenth meeting the Board also reviewed two options to be considered for the implementation of the Evaluation Framework, i.e. a Technical Evaluation Reference Group (TERG) and support from GEF IEO. After considering the recommendation of the Ethics and Finance Committee (EFC), the Board approved the option of entrusting the evaluation function to the GEF IEO, for an interim three-year period. It also approved the revised Evaluation Framework contained in the document AFB/EFC.6/4. It also requested the GEF IEO and the Adaptation Fund Board secretariat (the secretariat) to prepare a final version of the Evaluation Framework including the inclusion of the definition of the evaluation function as per decision B.15/23.

3. The final version of the Evaluation Framework² was amended as per decision B.15/23 including the insertion of the evaluation function entrusted to the GEF IEO for an interim period of three years. On March 11, 2014, the Director of the GEF IEO withdrew the GEF IEO as the interim evaluation function of the Fund. The Board, at its twenty-third meeting in March 2014, took note of this communication by the Director.

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

[...]

- b) Request the secretariat to prepare options for providing the Fund with an evaluation function, building upon previous work related to the Evaluation Framework of the Fund, for consideration at the nineteenth meeting of the EFC.*

(Decision B.27/26)

5. At its nineteenth meeting, the EFC reviewed options prepared by the secretariat and presented in document AFB/EFC.19/5,³ to re-establish a long-term evaluation function for the Fund. Based on the recommendation of the EFC, the Board - at its twenty-eighth meeting - decided:

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

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

² Available at: <https://www.adaptation-fund.org/document/evaluation-framework-4/>

³ Available at: <https://www.adaptation-fund.org/document/options-providing-fund-evaluation-function/>

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

(Decision B.28/36)

6. The secretariat presented further information on the two options in document AFB/EFC.20/3,⁴ which was reviewed by the EFC at its twentieth meeting in March 2017. Discussions included cost implications, recognising that a large proportion of the costs would vary according to the Fund’s evaluation needs and that to assess the costs of the evaluation function, it is necessary to review the evaluation requirements over the next 2-3 years. Based on the recommendation of the EFC regarding the two options for the evaluation function, at its twenty-ninth meeting, the Board decided:

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

(Decision B.29/30)

7. The secretariat developed and presented document AFB/EFC.21/4,⁵ referred in decision B.29/30 above, which included budget implications for an indicative three-year evaluation work programme for each of the options. The document also included the technical expert guidance and inputs needed to set up the evaluation function for each option. The Board decided, at its thirtieth meeting in October 2017:

- a) *To approve the option of re-establishing a long-term evaluation function for the Adaptation Fund through a Technical Evaluation Reference Group (TERG), as described in documents AFB/EFC.20/3 and AFB/EFC.21/4;*
- b) *To request the secretariat:*
 - i. *To make the necessary arrangements for the establishment of the TERG, as described in document AFB/EFC.21/4;*

⁴ Available at: <https://www.adaptation-fund.org/document/updated-options-evaluation-function-cost-implications/>

⁵ Available at: <https://www.adaptation-fund.org/document/updated-options-evaluation-function-cost-implications-2/>

- ii. *To prepare the terms of reference of the TERG for consideration by the Board intersessionally;*
 - iii. *To recruit the experts constituting the TERG following the Board's approval of the terms of reference as per sub-paragraph (b) (ii); and*
 - iv. *To present a budget and work plan for the TERG for consideration by the EFC at its twenty-second meeting;*
- c) *To invite the Independent Evaluation Office of the Global Environment Facility to support the secretariat in setting up the TERG through providing guidance/advice; and*
- d) *To request the EFC to review the long-term evaluation function of the TERG at its twenty-ninth meeting.*

(Decision B.30/38)

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

9. The final terms of reference of the TERG was presented at the twenty-second EFC meeting, under the title "Implications of the Establishment of the Fund's Evaluation Function" – document AFB/EFC.22/3.⁶ Having considered the comments and recommendation of the EFC, the Board decided at its thirty-first meeting in March 2018:

- a) *To approve the terms of reference of the Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG) as contained in Annex III to the report of the Board (AFB/B.31/8);⁷*
- b) *To approve the amendment to the terms of reference of the Ethics and Finance Committee (EFC) as contained in Annex IV to the report of the Board (AFB/B.31/8);*
- c) *To establish the AF-TERG Recruitment Working Group composed of the following Board members and alternates: Mr. Ibila Djibril (Benin, Africa), Mr. Marc-Antoine Martin (France, Annex I Parties), Ms. Barbara Schäfer (Germany, Annex I Parties) and Ms. Margarita Caso (Mexico, Non-Annex I Parties); and*
- d) *To request the AF-TERG Recruitment Working Group, with the support of the secretariat, to undertake the necessary arrangements for the recruitment of the AF-TERG chair and four members intersessionally between the thirty-first and thirty-second meetings of the Board and to report back to the EFC at its twenty-third meeting.*

(Decision B.31/25)

⁶ Available at: <https://www.adaptation-fund.org/document/implications-establishment-funds-evaluation-function/>

⁷ Available at: <https://www.adaptation-fund.org/wp-content/uploads/2018/07/AFB.B.31-final-report.pdf>

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

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

(Decision B.32-33/15)

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

12. At the thirty-fourth Board meeting in October 2019 the manager reported - as noted in meeting report AFB/B.34/20⁸ - that the AF-TERG had completed the selection process for four members and had held their first in-person meeting⁹ with the members to discuss the set-up, mandate, communication channels and expectations. Preliminary work had taken place on the AF-TERG work programme, with a focus on evaluative components and products.

13. On 23 November 2020, Ms. Debbie Menezes commenced as the new AF-TERG Chair, taking over from AF-TERG member Mr. Mutizwa Mukute who was the acting Chair since Ms. Eva Lithman stepped down as AF-TERG Chair on 15 July 2020. In fiscal year 2022 (FY22), AF-TERG members Mr. Andy Rowe and Ms. Nancy Macpherson decided to rotate out after serving for two years each. Consequently, two new members – Mr. Carroll Patterson and Ms. Susan Legro - were identified through a competitive and transparent process and have taken up their positions in September and December 2021 respectively, joining the existing members Mr. Claudio Volonte and Mr. Mutizwa Mukute.

14. The AF-TERG presented its first three-year strategy and work programme - document AFB.EFC.26a-26b.3¹⁰ - for consideration by the EFC and the Board intersessionally, which takes a longer-term planning perspective, covering FY21 to FY23 for the work elements. Having considered the document and the recommendation by the EFC, the Board decided:

To approve the draft strategy and work programme of the AF-TERG contained in Annex 1 of the document AFB/EFC.26.a-26.b/3.

(Decision B.35.a-35.b/29)

15. Given evaluative work items often have longer timeframes, follow a phased or iterative approach, and often cross fiscal year boundaries, the budget request for the AF-TERG covered two fiscal years, FY21 and FY22. The AF-TERG considered a three-year budget aligned with its three-year strategy and work programme but decided on a two-year budget to balance continuity

⁸ Available at: <https://www.adaptation-fund.org/document/report-of-the-thirty-fourth-meeting-of-the-afb/>

⁹ This took place in the sidelines of the Sixth Annual Climate Finance Readiness Seminar for accredited NIEs in Antigua and Barbuda, August 4 to 10, 2019.

¹⁰ Available at: <https://www.adaptation-fund.org/document/draft-strategy-and-work-programme-of-the-adaptation-fund-technical-evaluation-reference-group-af-terg/> and as graphically edited version at: <https://www.adaptation-fund.org/document/strategy-and-work-programme-of-the-adaptation-fund-technical-evaluation-reference-group-af-terg-2/>

of work against budget accuracy; the longer the timeframe, the more difficult it is to make accurate cost projections. The AF-TERG's first two-year budget request – part of document AFB/EFC.26.a-26.b/1/Rev.1¹¹ – was approved by the Board as per decision B.35.a-35.b/27.

16. The subsequent two-year budget request for the AF-TERG, part of document AFB/EFC.27/6¹² and consisting of an adjustment for FY22 and a new request for FY23, was approved by the Board as per decision B.36/31.

Objective of this update

17. The objective of this document, which is presented to the EFC for consideration for recommendation to the Board for approval, is to bring up to date the current AF-TERG work programme for fiscal year 2023 (FY23) and adjust timelines of existing and new work elements that span into fiscal year 2024 (FY24).

18. This document also provides an updated foundation for the two-year budget request for the AF-TERG for FY23 and FY24 at the current Board meeting, in Document AFB/EFC.29/5.

Introduction

19. One of the aims of the work programme was to deliver several distinct evaluation work elements over the three-year period covered. Since the Board's approval of the strategy and work programme the AF-TERG has already implemented two fiscal years - FY21 and FY22 - and has kept the Board informed about implementation progress through work update reports, linked evaluation reports and studies, and presentations by the AF-TERG Chair at successive Board meetings.

20. For this FY22, an information document presents an annual progress update by the Chair on the AF-TERG's work and outlines priorities for FY23 (AFB/EFC.29/Inf.2).

21. On-going elements of the AF-TERG's work programme are likely to continue beyond FY23 (the period of the current work programme) and into FY24. This is due to a number of reasons as follows:

- Longer-time frames of on-going evaluative activity are likely to span across fiscal years, and into FY24;
- The AF-TERG will introduce the draft evaluation policy for the Board's reflection and approval with a plan for operationalisation in FY23 and FY24. If approved, this may have further implications for the AF-TERG's forward work programme; and
- The AF-TERG has also identified the need for further thematic evaluation work to feed into an overall evaluation of the Fund which was originally planned for FY23, but

¹¹ Available at: <https://www.adaptation-fund.org/document/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/>

¹² Available at: <https://www.adaptation-fund.org/document/administrative-budgets-of-the-board-and-secretariat-and-trustee-for-fiscal-year-2022-and-the-af-terg-and-its-secretariat-for-fiscal-years-2022-2023/>

is now being planned for FY24 to enable sufficient evidence to be collected and to ensure that this is well timed with the development of the next Medium Term Strategy of the Fund.

Process

22. The initial scoping and diagnostic phase to inform the development of the three-year work programme transitioned into an iterative process of reflection after the approval of the work programme. Further conversations with members of the Board, the AFB secretariat and observers to the Fund, Implementing Entities (IEs), civil society organisations (CSOs), private sector, communities, the UNFCCC community, donors and other stakeholders relevant to the implementation of the proposed work programme have informed this update.

23. The iterative process consisted of the following steps:

- As a first step, the AF-TERG reflected on the principles that were formulated as part of and throughout the guiding principles, strategic choices and work culture elements of the strategy and work programme. To enhance the practical applicability of these principles the AF-TERG regrouped them into ten work principles.
- As a second step the AF-TERG embarked on an organizational development process to further improve on efficiency and effectiveness in terms of planning, team dynamics and overall delivery in line with the work programme. The findings of this process have informed decisions on work programme implementation and feed into an ongoing process of continuous improvement.
- Third, the AF-TERG started a reflection process - AF-TERG-internal as well as with key stakeholders - that is informing the framing of the overall evaluation of the Fund, and as part of this process made decisions on the topics and sequencing of thematic evaluations and studies.

Update to the AF-TERG Strategy and Work Programme, adjusted for FY23 and FY24

Existing work elements

24. Review/revision of the Evaluation Framework of the Adaptation Fund: the draft evaluation policy will be presented at the current EFC meeting. Upon approval by the Board, a process of guidance development will be started for which a framework of prioritization is currently being developed. The process of consultation, dissemination, capacity building and guidance development will take place throughout FY23 and FY24. The budget request includes a proposed adjustment for FY23 and a new budget request for FY24.

25. Co-learning and capacity building: part of Workstream 2 'Enhancing MEL Capacity across the Fund' and the AF-TERG terms of reference. Most of the co-learning and capacity building work will be linked to guidance development linked to the new evaluation policy. For FY23 the AF-TERG requests to half the co-learning and capacity building budget amount and move the difference under evaluation policy guidance development for FY24. The remaining budget for co-

learning and capacity building will focus on capacity building as part of other evaluative activities, for example the ongoing ex post work.

26. Overall evaluation preparation / Medium-term strategy final evaluation (MTS2): The development of an overarching framework for the overall evaluation of the Fund started in FY22, focusing on the key questions, and associated sub-topics / issues / criteria on which the Fund's overall evaluation should focus. This process will continue in FY23 and a budget carry-over is requested on this work element.

27. The AF-TERG decided to move the final evaluation of the MTS from FY23 to FY24 to provide sufficient time for the evaluation process after the completion of the MTS, which ends at the end of the 2022 calendar year. The budget request to the Board includes a new budget request for FY24 to cover the final evaluation of the MTS.

28. Studies and thematic evaluations: Thematic evaluations will continue in FY23, to feed into the overall evaluation of the Fund. A small adjustment is requested for FY23, which is informed by the cost picture of thematic work in FY22.

29. Ex post evaluations: Ex post evaluations will continue in FY23 and FY24. The budget request includes a proposed adjustment for FY23 and a new budget request for FY24; the FY23 adjustment is informed by the cost picture for ex post work in FY22.

30. Overall evaluation of the Fund: The AF-TERG decided to move the overall evaluation of the Fund to FY24, to give sufficient time for collection of evidence from ongoing work to feed into the overall evaluation. A budget carry-over from FY23 to FY24 is requested on this work element.

New work elements

31. Peer review of the AF-TERG: While already mentioned in the current work programme, the aim would be to undertake an external peer review and evaluation of the work programme implementation in FY24. The exercise would reflect both on the AF-TERG against accepted international standards through a core assessment question, and the process and results of the work programme implementation.

32. Development of the next AF-TERG work programme: The need to develop a new work programme was not written into the current work programme. The current work programme covers a period of three fiscal years, which was informed by the end date of the current MTS and the need to provide an overall evaluation of the Fund after that date. The budget request to the Board includes a new budget request for FY24 to support two studies to inform the development of the next AF-TERG work programme.

Recommendation to the EFC

33. The Ethics and Finance Committee (EFC) may want to consider and recommend the Board:

- a) To approve the fiscal years 2023 – 2024 update to the work programme of the Adaptation Fund Technical Evaluation Reference Group (AF-TERG) as contained in document AFB/EFC.29/7.